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THE ECONOMIC POSITION
OF THE
BRITISH LABOURER.

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THE ECONOMIC POSITION
OF THE
BRITISH LABOURER.

BY

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P R E F A C E.

THE following pages form a portion of a Course of Lectures, which I delivered in the University of Cambridge in the autumn of 1864. For the convenience of the general reader, I have divided the various subjects discussed, into separate Chapters. It was necessary in addressing a class of students, to expound many of the elementary principles of Economic Science; I have thought that many of these expositions might be here admitted.

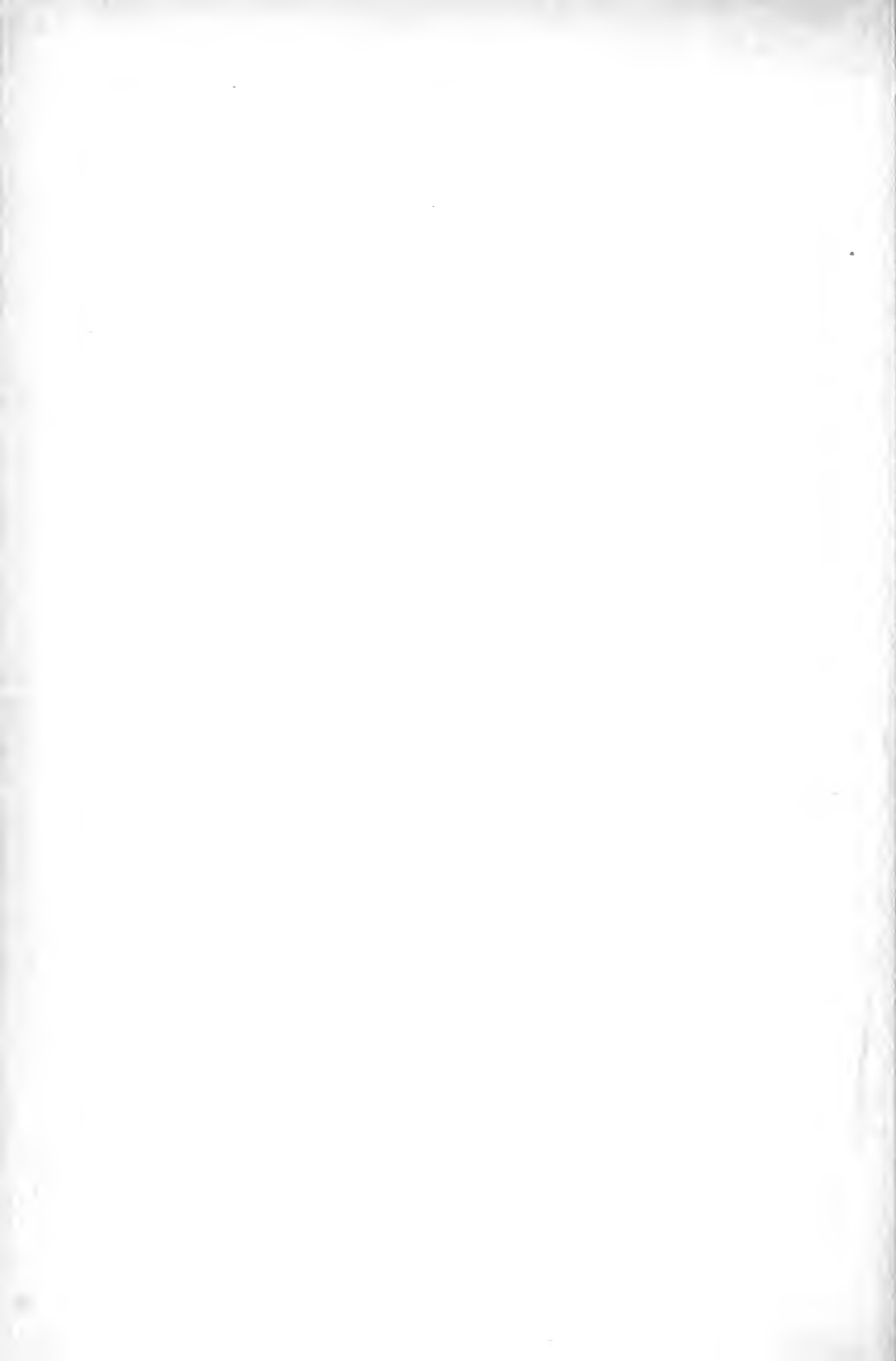
In the Chapter on Trades Unions and Strikes, an allusion is made to the trade outrages at Sheffield. I think it is only fair to state that I have

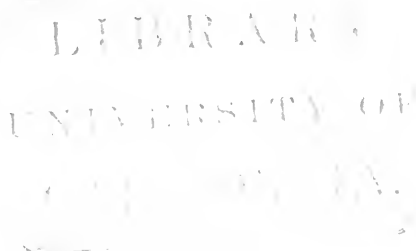
recently visited Sheffield, and after many interviews with both the Employers and the Employed, I have come to the conclusion, that these outrages have for some years been discontinued, and that they are now most heartily discountenanced by the working men.

TRINITY HALL, CAMBRIDGE,
October 1865.

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CHAPTER I.

Introductory Remarks.

I PURPOSE in the course of the following Lectures to describe the position of the British labourer. The subject, if I can do adequate justice to it, must be particularly interesting, and one which I consider to be peculiarly appropriate for discussion from a Chair of Political Economy. This science has often had to incur the reproach of being unpractical. The business man assuming a confidence which ignorance alone can give, contemptuously sneers at political economy, and assumes that

he is in possession of a superior wisdom which enables him to grapple with all the practical affairs of life, unhampered by theories and unfettered by principles. Our science will therefore in some degree vindicate its claim to utility, if it can show that connected with the position of the British labourer there are rapidly arising questions which are destined to exert a powerful influence upon the production of wealth and upon the distribution of property in this country. Men of business are proverbially acute in observing causes from which result temporary fluctuations in the price of commodities, but they are the last to recognise the slow, but not less inevitable working of more permanent causes, which may perhaps be destined to remodel the social state of a country, or to revolutionise the conditions upon which commerce may be carried on.

One moment's reflection will suggest some of the economic problems which may arise for solution during the next few years. Ireland is becoming depopulated. The Irish have hitherto supplied much of the lowest kind of labour required in England. Our corn has to a great extent been reaped by them, but the day is probably not far distant when Ireland will require English labourers to reap her own harvest. Again, it may be observed, that as the commerce of England has developed, a line

of demarcation more definite and more difficult to be passed has arisen between the employers and the employed. This separation between capital and labour is unnatural, and must be pernicious. The hired labourer, as a general rule, has no pecuniary interest in the success of the work in which he is engaged; his faculties are not stimulated, his energies are not evoked. His life is passed without hope, and a discontent must thus be too frequently engendered, which, if not corrected, may jeopardise the stability of our constitution. If for an instant we consider the past, we shall see how great are the changes which have been wrought in our national industry. In former times the English farmers generally cultivated their own freehold estates. They were the old yeomen of England who played so proud a part in the annals of our country, and the yeoman and his labourers often lived together, and thus became attached to each other by some of the ties of family affection. But three distinct classes, between whom no relation now exists except a pecuniary one, are at the present time concerned in the cultivation of the soil. The landowner obtains the greatest rent he can from his tenant, and the tenant obtains from his labourers the maximum of work for the minimum of wages. The employers and employed are parties to a keenly contested bar-

gain, and the labourer therefore naturally endeavours to obtain the maximum of wages for the minimum of work. I do not make this contrast between the past and the present in the vain hope of recalling a state of society which is irrecoverably gone, and which could not exist at the present time; I do not wish to praise the past at the expense of the present. I am an earnest believer in progress, but I have endeavoured by comparison to exhibit in a striking light some of the salient features in our present national economy, in order to show that many circumstances of vast importance in their ultimate consequences are beginning to affect the position of the British labourer. For instance, are our agricultural labourers likely to remain permanently contented with their present lot? Theirs is a life of incessant toil for wages too scanty to give them even a sufficient supply of the first necessities of life. No hope cheers their monotonous career: a life of constant labour brings them no other prospect than that when their strength is exhausted, they must crave as suppliant mendicants a pittance from parish relief. Will generation after generation be content to pass the same dreary existence, when in other countries, with a climate as healthy as our own, with institutions as free, they may at once become landed-proprietors, and they may see definitely placed

before them a career of affluence and prosperity? Are there not sufficient indications to make us reflect that if things continue as they are, an English exodus may be imminent? England has safely weathered the storms of political revolutions. Centuries have passed away since the foreign invaders stepped on these shores, but our greatness cannot be maintained, our wealth cannot be produced, if our labourers in large numbers leave our shores; for it is their strong arms and their acquired skill which have achieved the marvels of our material greatness, and which have won for England glorious victories in every quarter of the world.

Whenever our labourers emigrate, it may be safely concluded that they are prompted to do so in order to improve their material condition. People have often been driven from their country by the despotic acts of their rulers; but an Englishman does not expect to find in other countries a government more free, and he loves his native land so dearly that he cannot leave it without enduring many a bitter pang. Political Economy is therefore intimately concerned with any discussions which relate to the condition of the labourer; for the object which this science has in view, is to investigate the laws which regulate the production and distribution of wealth. On every side we are

met with the most conclusive evidence that the production of wealth in this country is so vast and so rapidly augmenting that it is idle to say poverty exists because enough wealth is not produced. I will not weary you with figures, I will only remind you that during the last twenty years our foreign trade has more than trebled; and if you wish for any further proof of the increase in our national wealth you can yourselves observe the vast manufactories and warehouses which have been erected, the mighty docks which have been opened, and the rapid extension throughout the country of railways, which bring wealth to every district through which they are carried. Everything therefore concerning the amount of wealth produced appears to be satisfactory, but a very different picture is exhibited if we reflect upon the way in which this vast wealth is distributed. This augmentation of national wealth has not arrested the Irish exodus. Many classes of labourers have still to work as long, and for as little remuneration as they received in past times, and one out of every twenty inhabitants of England is sunk so deep in pauperism that he has to be supported by parochial relief. The advance in the material prosperity of Liverpool, of Glasgow, and other centres of commerce is unprecedented, yet in close contiguity to this growing wealth there

are still the same miserable homes of the poor, the same pestilential courts and alleys, where fevers and other diseases are bred which decimate the infantile population with unerring certainty. Here then is a political economical question of surpassing interest and importance to solve, and the solution of which will form the basis of our investigations. How is it that this vast production of wealth does not lead to a happier distribution? How is it that the rich seem to be constantly growing richer, whilst the poverty of the poor is not perceptibly diminished?

In attempting to work out this problem, I shall endeavour carefully to abstain from indulging in any vituperation against either employers or employed. The chief object which I shall have in view will be to describe the different economic systems which may regulate the production and distribution of wealth, and according as any economic system may prevail, I shall attempt to explain what arrangements may be adopted so as to bring the greatest happiness to the community in general. Thus in our own country three distinct classes usually share the proceeds of agricultural industry, viz. landowners, farmers, and labourers. I shall compare this agricultural economy with that of other countries where the land is cultivated by its owner. Again, with regard

to our commerce and trade, the capital is almost invariably supplied by the employer, and the employed consequently work for hired wages. When the produce which the land yields is distributed, between the landowners, farmers, and labourers, the amount which is allotted to each of these three classes is regulated by definite laws which no artificial arrangements can permanently control. When the capital and labour which any industry requires is supplied by distinct sets of individuals, the relative amount which the employer receives as profits, and which the employed receive as wages, is also determined by precise and well ascertained laws. We shall therefore be naturally led to consider the condition of the labourer under two distinct aspects. We must not only investigate the various circumstances which may affect his position if he continues simply to work for hire, but we must also attempt to trace some of the many consequences which will ensue if the labourer advances into a different social position, and supplies some of the capital which his industry requires. Hence some of the topics can be readily suggested which will fall within the scope of our inquiries. For instance, I shall describe to you the landed tenure which prevails in England with the view of showing what are its effects on the cultivation of the soil, and what

is the influence it exerts upon those who are engaged in agriculture. I shall give you a detailed account of the Co-operative movement, and the facts which I shall adduce will prove that a new industrial era has been inaugurated. I shall endeavour carefully to explain the functions of capital, with the view of showing you the causes which regulate the remuneration of labour. You will then be able to perceive that employers and employed would both be benefited by the introduction of some system of Co-partnership between capital and labour. I shall illustrate the necessity of improving the relations between masters and men, by considering the influence which is exerted by Strikes and Trades Unions. Finally, I believe the full importance of the subject we are discussing will be understood when some of the considerations connected with emigration are laid before you. Many countries are now competing for British labour; if therefore the condition of our industrial classes does not improve, that labour which creates our wealth, and maintains our greatness, will be attracted to other lands.

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CHAPTER II.

The Land Tenure of England.

IT is an admitted fact that at the present time in England the average size of farms is increasing, and that a large proportion of the aggregate land in the country is gradually passing into the hands of large proprietors*. Before we trace the consequences of these changes, it will be well to enquire whether they are produced by artificial regulations, or whether they are due to natural causes. It will not be difficult to distinguish between the natural and artificial causes which exert an influence to accumulate the landed property in this country in the hands of a smaller number of proprietors. Those causes which are artificial are the laws which affect landed property, and these laws cannot be justly continued if it can be shown that they are not advantageous to the general

* It has been calculated that a century since, there were three times as many landed-proprietors in England as there are at the present time.

community. The theory of our constitution as it now exists, is based upon the supposition that it is desirable that one of the powers in the State should be an hereditary aristocracy, and it is assumed that an hereditary aristocracy cannot be maintained unless they are the owners of large landed estates. Our law therefore confers on a landed proprietor facilities for preventing the subdivision of his estate, and everything is done to encourage the feeling that it is desirable that landed property should not be subdivided. If a man dies without a will his landed property passes intact to his heir, whereas his personal property will pass in part to his widow, and the remainder is divided equally amongst his children. If he had no children, his property would be distributed in certain fixed proportions amongst his relations. We must therefore inquire what are the effects which these laws of property produce upon the general interests of the nation.

I am desirous to make my remarks as little political as possible, and I will therefore assume that we unanimously admit the impolicy of making any radical change in our constitution. We are anxious that our Parliament should continue to consist of two assemblies, one elected and the other permanent. The history of the past has repeatedly shown that if legislative power is en-

tirely confided to an elected assembly, there may be no influence to withstand the outbursts of popular passion. We will therefore admit that nothing ought to be done to jeopardize the existence or to weaken the influence of the House of Lords, so that there may be always a power in the State to exercise calm and deliberate wisdom, if the representatives of the people, reflecting the excitement of their constituencies, should be hurried into hasty and unjust legislation. But if we make these admissions, does it follow that in order to have an assembly which shall possess the functions of the House of Lords, we must maintain laws whose avowed effect is to keep intact the estates of our landed aristocracy? Every feeling in our nature is opposed to the idea that one child in a family should be selected for special favour, and that he should be enriched, whilst his brothers and sisters are made comparatively poor. If a man had £100,000, and left £90,000 to his eldest son, and divided only £10,000 amongst his four remaining children, every one would denounce such a disposition of property as most unjust and most unfair; but if a man had an estate worth £100,000 and left the whole of it to his eldest son, he will do exactly what our law would do for him, if he died without a will; for the law of England interprets a man's natural desire to be,

that all his landed property should pass to his eldest son, even although his other children may be left entirely unprovided for.

Since the inheritance of landed property by one child to the exclusion of others, although encouraged and facilitated by our law, is manifestly opposed to all our conceptions of justice, it follows that primogeniture cannot be defended, unless it can be clearly proved to bring to the State some decidedly compensating advantages. Those who assume that the House of Lords cannot exist without primogeniture, may argue that our constitution cannot be preserved unless this institution is maintained. But I believe that the assumption implied in this argument is not correct. In order to secure the permanence of the House of Lords, nothing is so important as that there should be in this assembly some of the ablest men in the country. The intelligent people of England would quite as soon place faith in the divine right of kings, as they would be induced to believe that a man inherits by birth any claim to legislate for them. The existence of the House of Lords will never even be threatened as long as it can be shown that its functions are exercised wisely and efficiently. At the present time 428 peers have a right to sit in that assembly. And yet out of that number perhaps not more than

40 or 50 have either the taste, or the inclination, or the capacity to take the slightest part in its deliberations, even when the gravest political questions are discussed. If hostility should ever be shown towards the House of Lords, it will not be because the English nation desires the abolition of a permanent legislative assembly ; but no one need be surprised if the day should arrive when the nation will not tamely submit to see the fortunes of the state controlled by the votes of men who give their proxies to a party leader, because they are too careless or too indolent to be present, when questions of the gravest importance upon which they have to decide are discussed. The House of Lords would have been long since destroyed by those peers, who either from indolence or incapacity do not perform their hereditary legislative functions, had not that assembly been constantly renovated by illustrious commoners who have achieved distinction either in arms, literature, politics, or science. In a free and enlightened country no body of men will be permitted to exercise legislative power simply because they have inherited rank and wealth. The friends of an hereditary aristocracy advance a dangerous argument, if they assert that the existence of the House of Lords depends upon the maintenance of the large landed estates of our peers. Edu-

cated people will rebel against such opinions ; it will reasonably be said, that ability, education, and leisure, may give a man a claim to be a senator ; but that any principle of inheriting political power, unless it secures these qualities, cannot be advantageous to the State. The remarks which have just been made may, I think, be considered to lead to the two following conclusions : first, the maintenance of the House of Lords does not depend on primogeniture ; secondly, our laws of real property which facilitate the inheritance of land entirely by the heir, cannot be maintained upon the plea that they tend to preserve the constitution in its present form ; for our House of Lords would be more permanent and more efficient if such a large proportion of its members were not placed there simply because they inherited rank and property.

I think therefore enough has been said to justify the conclusion that no political considerations of paramount importance demand that our present laws of real property should be maintained. As we have now disposed of the political part of this question, we have next to investigate the economic consequences which result from permitting such a disposition of land as now prevails in England.

I have already referred to the extraordinary circumstance that if a man dies without a will,

our law interprets his desire to be, that his landed property should pass intact to his heir. In the case of intestacy, a broad line of demarcation is drawn between land and all other kinds of property; in fact, the law seems to be framed with the view of encouraging the opinion that a landed estate ought to pass undivided from generation to generation. You will observe how these sentiments have affected the whole law of this country, as we proceed to consider the control which a man who makes a will is permitted to exercise over the future disposition of his landed property. Thus a landowner can leave his estate to an unborn child. *A*, we will suppose, leaves an estate to his son *B*, on the condition that at *B*'s death the estate should pass to *B*'s eldest son. This is what is termed entailing an estate; and amongst our landed aristocracy it is almost invariably the custom to create successive entails. Thus, when *B*'s eldest son comes of age, the estate is again settled upon his eldest son, who may be a child unborn. Now it is at once evident that this power of entail prevents a great part of the landed property of the country ever being brought into the market. For instance, *B*, who inherits a landed estate from *A*, has only a life-interest in it, and until his eldest son comes of age he cannot dispose of his estate as a freehold; he can simply sell his life-interest in it.

Of course when the eldest son does obtain his majority, he has a direct interest in preventing the sale of an estate which is settled upon him. It therefore clearly follows, that entailing estates is an artificial arrangement which prevents a great part of the land of a country ever being brought into the market. Now it appears to me that the government has a clear right to interfere if landed proprietors do anything with their land which is opposed to the general welfare of a country. The primary condition of individual freedom is usually assumed to be, that a man should do as he likes with his own; but I conceive that if this meaning is given to ownership of land, no one can be fairly considered to be the owner of land. Parliament is repeatedly affirming, that a landed proprietor has not a right to do what he likes with the land in his possession. Landowners, for instance, are constantly protesting against a railway passing through their property, but by Parliament these protestations are disregarded, and the railway is permitted to be made, because public convenience requires it. Again, history shows that from the earliest times the possession of landed property was always considered to carry with it some obligations to the state. William the Conqueror seized a great part of the land of this country, and distributed it amongst those of his followers who had most dis-

tinguished themselves in the field of battle. But William never entertained the idea of giving any one a single acre of land unfettered by any conditions; he seems to have thought that those to whom he gave the land, held it in trust for the general good of the State; upon the landowners devolved the duty of defending the country, and he therefore ordained that they should be at all times prepared to supply properly equipped soldiers, the number of whom should be fixed according to the quantity of land they possessed.

It is evident that the whole feudal system, which so powerfully affected the constitution of society throughout the middle ages, was based on the principle that the ownership of land carried with it certain obligations to the State. When the feudal system was destroyed these obligations were forgotten, and the numerous personal relations which formerly attached the baron to the crown, and the vassal to the lord, were entirely replaced by a series of pecuniary bargains. The land-tax represents the armed support which the feudal lord was bound to give to the crown. No personal services now exist between landlords, tenants, and labourers. The tenants simply pay the rent, and the labourers receive the wages. I have made these remarks, in order to show that property in land was never originally conferred

without certain obligations being enforced. It therefore seems to have been conceived that there was a fundamental distinction between property in land and all other kinds of property, and this distinction, though perhaps not avowed, is clearly recognised at the present time. Thus, reverting to a former example, the State does not hesitate to take land for railway purposes when the public convenience demands it, although the owner may have the strongest objection to this appropriation of his property; but it would be an interference with individual freedom, which would not be tolerated, if the State should in the least degree attempt to dictate what a man should do with his personal property. Furniture, money, and everything else which is defined as personal property, is owned in the sense that a man can do what he likes with it. I therefore conceive that property has been permitted to be acquired in land, upon the condition, either expressed or implied, that the government should have an undisputed right to interfere if land is devoted to any purpose which may prove detrimental to the general interests of the nation. It therefore follows, that any law which affects the distribution of landed property should be immediately altered, if it can be shown that it does not promote the welfare of the community. This at once leads us to inquire whether

we can establish any principle which will guide us in determining the consequences which result from the laws which, at the present time, regulate the disposition of real property in England.

It seems to me to be a self-evident truth that it is for the interest of the whole community that the land should be cultivated with maximum efficiency, because it is indisputable that the more efficiently land is cultivated the more abundant will be food and all the other products of the soil. National wealth will consequently be increased, labour will be better remunerated, and the poverty of the poor will be greatly diminished. We must therefore ask ourselves whether or not primogeniture, so far as it is permitted and encouraged in England, promotes the efficient cultivation of the land. The avowed object of those of our laws which maintain primogeniture is to prevent the subdivision of large landed properties. I have already explained that land when it is once entailed cannot for a considerable period be brought into the market. A great part of the land of our country is therefore in the position that it cannot be sold; the consequences which result from these restrictions can easily be shown, by describing one or two cases which have probably occurred within the experience of us all. A nobleman, we will suppose, and it is no imaginary example, is the tenant for

life of a large landed estate worth £20,000 per annum. This estate is entailed, or in other words, settled on his eldest son. The nobleman has many other children. His position requires an expensive style of living, and he therefore spends nearly the whole of his annual income. When he dies his eldest son will be the heir to a great property, whilst his brothers and sisters will be extremely poor. We do not wish to dwell upon this inequality, which is contrary to all our feelings of natural justice; we wish here rather to inquire whether the estate owned by a person in the position we have just described is likely to be cultivated with maximum efficiency. The owner, though possessing a large income, must be considered to be a poor man, because, since all his property is settled upon his heir, he is able to make no adequate provision for his other children. A poor landowner has not the requisite capital to carry out improvements on his estate, and even if he has the capital he has every inducement not to spend it, because by doing so he enriches the eldest son, who will be wealthy, at the expense of his younger children, who will be comparatively poor. We can readily understand how powerfully these motives may operate; for instance, the owner of an entailed estate may have certain land which it will be most profitable to irrigate. £20,000 expended in irriga-

tion may double the aggregate produce obtained, and may yield a profit of 15 per cent. on the outlay. Although the owner of such an estate may fully understand how profitable such an outlay would be, yet he may fairly say, I am not justified in spending the money, because, in order to improve the property of my eldest son, I diminish the amount which I shall have to leave to my younger children. The whole nation therefore suffers a loss, because land, which might be made fertile, is thus kept in a state of infertility.

There are numerous other ways in which the entailing of an estate may impede the production of wealth; thus, the owner of such an estate may know, that it would be extremely profitable to plant a certain portion of his land. For instance, there has been for some years a rapidly increasing demand for railway-sleepers; consequently many highland proprietors have found it much more remunerative to convert pasture into larch forests; but if they do so, they are of course obliged to make a temporary sacrifice in order to realize a large ultimate gain. The owner of an entailed estate may therefore feel that he cannot in justice to his younger children make this temporary sacrifice of income; for if he should die before his larch trees came to maturity, his eldest son would enjoy the whole profit which would result from

the sinking of a certain amount of capital, which might have been distributed amongst his younger children. Numerous other examples can be readily suggested, all of which combine to prove that the entailing of estates frequently prevents the efficient cultivation of land.

Again, it can be easily demonstrated that it is most highly detrimental to the general welfare of the nation, that the land of our country should be so rarely cultivated by those who own it. Large landowners seldom trouble themselves with farming. They may perhaps have a model farm near their country mansion, but the great bulk of their land is let at a fixed rent to tenants. It is impossible that such an arrangement can promote good cultivation, because the farmer who rents land has not so great an inducement as he ought to have, either for the outlay of capital, or for the exercise of energy and skill. Tenant farmers may very reasonably say, We would most gladly spend more capital in improving our farms, if we had any security that at the expiration of our leases our rents would not be so much raised, that our landlords would be able to appropriate to themselves the whole of the improvement which has been effected on their land by the outlay of our own capital, or by the exercise of our energy and skill. This feeling has not unnaturally stimulated

the farmers of Ireland to demand a tenant-right. They say the law ought to provide a security that a tenant farmer should enjoy the full benefit of the improvement which he may have conferred upon land by the application of his capital and skill. This demand for a tenant-right has always been refused by the English Parliament as a most revolutionary proposal, but in one province of Ireland, *viz.* Ulster, the landlords, either from fear or from a sense of justice, have so universally conceded this tenant-right, that it has now become a custom which has almost assumed the authority of a law. The evil which this tenant-right attempts to cope with is no doubt a real one, and may be regarded as denoting a very serious defect in our national economy. It is however an evil which has to a great extent been created by the power of entailing land, for the avowed object of an entail is to prevent the subdivision of estates; and as long as so great a portion of the area of this country is aggregated into large properties, land will continue to be cultivated as it is now, almost invariably by those who do not own it.

From these considerations, I think it must be concluded that the system of entail is economically very disadvantageous, because whether large farming or small farming is adopted, the land will be rarely tilled with maximum efficiency, if he

who cultivates the soil is not also its owner; moreover, it appears to me self-evident, that if entails were not permitted, a much greater amount of land would be brought into the market. If however it is admitted that land would be generally cultivated better by its owner than by a tenant, it might be further concluded, that a man who purchased land with the view of cultivating it, would be able to afford to pay a higher price for it, than a man who wished to purchase the land with the view of letting it. It will perhaps be rejoined, that although we have a law of entail at the present time, yet land is constantly brought into the market to be sold to the highest bidder, and that therefore nothing prevents those farmers purchasing land who possess the requisite means, and who also desire to become landed proprietors. But a farmer who buys land with the view of cultivating it will look upon the transaction simply as a commercial one, and will not therefore become a purchaser if the price of the land is artificially raised by any extraneous circumstances. Now the desire to possess land is inherent in man. Its ownership gratifies some of our most natural and admirable tastes. An opportunity is thus often given to study Nature in her most pleasing aspects, and the ownership of land enables all those pleasures of a country life to be enjoyed which are so thoroughly

congenial to Englishmen. The possession of a large estate gives social position, and also often confers considerable political influence. The successful trader, or the lucky speculator, may try in vain to advance his social position even by the most lavish expenditure of wealth in London; but if he becomes a large landed proprietor, his position in society will be rapidly ensured; he is soon made a county magistrate; he will then rank as a country gentleman, and his sons may perhaps reasonably look forward to represent the county; and they will thus gradually enrol themselves amongst the landed aristocracy.

All these advantages which we have enumerated as belonging to the ownership of land, of course possess a pecuniary value, because people are willing to pay a price for whatever may give them enjoyment. The price which is paid for these collateral advantages which attach to the possession of land depends on demand and supply. If there are five such successful traders or lucky speculators as those we have described, all anxious to purchase a particular estate on account of those indirect advantages which it will confer upon them, the price of the estate must rise far above its agricultural value: it is therefore manifest that this rise in price must be greatly increased by the law of entail, because when entails are

permitted, a much smaller number of estates are brought into the market. Again in England the price of land will each year rise more and more above its agricultural value, because the population and wealth of England are rapidly increasing. The pleasures of a country life were never so highly esteemed as they are now; railways give men facilities for combining town occupations with residence in the country; it therefore follows that each year there are a greater number of people desirous to possess land, and each year they are willing to pay a higher price for it; consequently the price of land in England has a constant tendency to rise above its agricultural value: its agricultural value being determined by three circumstances, the value of agricultural produce, the expense of cultivation, and the current rate of profit. Hence it appears that the price of land is being constantly forced beyond its agricultural value by powerful causes, some of which are natural, and some artificial. The artificial ones are those which can, and ought to be controlled. Those who desire to purchase land with the view of cultivating it, cannot afford to pay a price which greatly exceeds its agricultural value. An additional argument is thus suggested against our present system of landed tenure; for the amount of land annually brought into the market is much

less than it would be if the power of entail was restricted, and if primogeniture was not encouraged by our laws of intestacy. But if the quantity of land annually sold is diminished, land becomes a commodity so scarce that it assumes the character of a monopoly, which the rich will purchase as a luxury; under these circumstances, it is evident that land can be rarely acquired by those who desire to obtain a livelihood from its cultivation.

In our previous remarks it has been tacitly assumed that the cultivator is a capitalist farmer who employs hired labourers; but in many countries a great part of the land is occupied by peasant-proprietors, who may be regarded as small farmers cultivating their own land. The peasant-proprietors were formerly a numerous class in England; they were the ancient freeholders who in bygone ages played a proud part in our history; they were loyal, but they loved freedom dearly; they were the constant defenders of our liberty, and in many a hard-fought battle they made the name of England honoured and respected. But the class has now become almost extinct. Its last representatives are some small proprietors in the lake-districts, who are termed states-men. I know many villages where a century since there were thirty or forty of these small freeholders, whereas

now the whole land of the parish has been aggregated into one large property. Political economists and agriculturists of high authority express the most opposite opinions with regard to the effects which result from peasant-properties. English writers, who are opposed to a system of small farming, are often induced to speak disparagingly of small landed properties. It is however most important to remember that there is a fundamental distinction between the small farmer who rents his land and the small farmer who owns the land which he cultivates. In this distinction are involved all the advantages which various writers have attributed to peasant-properties.

I am quite ready to admit that when land is rented, large farming compared with small farming is every year, in this country at least, becoming more advantageous. Costly machinery is now used in agriculture with the most beneficial results. Almost the whole of our corn is now thrashed by steam, and the flail will soon be a forgotten relic. The steam-plough is being gradually brought to a state of perfection, and the greater part of our land will doubtless in a few years be cultivated entirely by steam. The steam-plough requires a considerable area to work upon; it is almost useless in small enclosures, and it is moreover a very expensive implement. It could therefore with

difficulty be applied if the country was split up into small farms, and a small farmer would rarely have sufficient means to purchase so costly a machine; and even if he borrowed one his appliances would be inadequate to employ it profitably. There are also numerous other disadvantages which attach to small farming. A flock of sheep, whether numbering 300 or 600, requires an experienced shepherd, and therefore the wages paid for superintending a flock of 600 would be little more than half the wages which would be paid if the farm was divided into two and a flock of 300 was kept on each. Again, the work which a farmer who employs labourers does himself may be regarded as labour of superintendence, and a farmer can probably superintend 600 acres as well as he can superintend 300 acres. From these and various other considerations we are led to the conclusion that large farming is more economical and more advantageous than small farming. But in comparing these two different systems of agriculture, it has been assumed that the large as well as the small farmer employs hired labourers; and if this is so, I think that the efficiency of both these systems of agriculture may seriously be impeded by a circumstance which though rarely dwelt upon yet seems to me to be one of radical importance.

The agricultural labourers of this country usually work for fixed hired wages. The farmer supplies the capital, and he is entitled to all the produce which the land yields after paying all the expenses of cultivation, which include rent to his landlord and wages to his labourers. The fundamental defect in this arrangement arises from the fact that the labourers, because they do not participate in the profits which their industry yields, have no interest in the work in which they are engaged. The labourer has no pecuniary motive to work with energy and skill; there can therefore be little mutual sympathy between the employer and the employed. They too frequently regard each other as antagonists in a keenly contested bargain; for it is the interest of the employed to do as little work for the wages he receives, and it is the interest of the employer to get work done at the smallest cost. It is difficult to form any adequate conception of the evil consequences which result from this antagonism between employers and employed. Work is frequently badly done, labourers do not exert energy and skill, and the production of wealth is thus seriously interfered with. Employers perhaps only half recognise the loss which is thus inflicted upon them when they complain that their labourers are listless, that they shirk their work, and that they

care nothing for their master's interest. These complaints are more frequently, and probably more justly, made by farmers than by any other class of employers. Agriculture offers peculiar facilities for the negligent and indolent workman to escape detection. The labour is too scattered to be constantly watched. Every room in a cotton mill has an overlooker, who can at once see whether all the operatives are working as they ought, but the labourers on a farm are simultaneously engaged in various operations, and it is impossible that all of these can be properly superintended by the farmer or his bailiff.

I have now described the two most prominent defects in our present agricultural economy; the first of these arises from the fact that land in this country is so seldom cultivated by its owner. I have endeavoured to show that the only practical remedy which can be applied is to remove all restrictions which limit the amount of land that is brought into the market. The second great defect in our agricultural economy I have attributed to the fact that the industry of agricultural labourers is inefficient, because they merely labour for hire, and enjoy no share of their master's profits. It is therefore quite clear that these two defects are completely remedied when agriculture is carried on by peasant-proprietors. A peasant

proprietor may be regarded as a labourer who owns the land which he cultivates. But now this question is suggested, Do any counterbalancing disadvantages arise from the cultivation of the land by peasant proprietors? In proceeding to discuss this question, we seem to be almost bewildered by the opposite opinions which have been expressed by writers of high authority. Our leading English economist, Mr John Stuart Mill, has collected the most elaborate evidence on the subject, and the conclusion which he has arrived at, is extremely favourable to peasant proprietors. On the continent the most eminent political economists, as well as the most eminent writers on agriculture, have been as decided in their approbation of peasant properties as Mr Mill. An opposite opinion, no doubt, very generally prevails in England; but it should be remembered, that continental writers speak with the authority which personal observation gives; for in many European countries, such as France, Flanders, Italy, Switzerland, and in parts of Germany, a great portion of the land is cultivated by peasant proprietors, whereas these small properties cannot be now considered to form a part of the agricultural economy of England. I will endeavour to give a brief summary of the arguments which have been urged on each side of the question; and I think I shall at least be able to show, that it is most unde-

sirable that our Government should sanction any law, which virtually operates as an obstacle to peasant properties.

The discussion of this subject seems to me to involve a comparison of advantages and disadvantages. On the one hand, there are the advantages which arise from land being cultivated by its owner without the assistance of hired labour; on the other side, there are the disadvantages which result from farming on a small scale, because a peasant proprietor must necessarily be a small farmer. This being the position of the argument, a decision can only be arrived at by appealing to experience. We will therefore see what light can be thrown on the subject by the consideration of undisputed facts. The well-known Arthur Young, who is perhaps the most eminent of our writers on agriculture, was a most decided opponent of small farming. Any opinion which he expresses in favour of small farming is therefore entitled to peculiar consideration. In describing his travels through France he makes the following observations: "Leaving Sauve, I was much struck with a large tract of land seemingly nothing but huge rocks, yet most of it enclosed and planted with the most industrious attention. Every man has an olive, a mulberry, an almond, or a peach-tree, and vines scattered amongst them, so that the whole ground is covered

with the oddest mixture of these plants and bulging rocks that can be conceived. The inhabitants of this village deserve encouragement for their industry; and if I were a French minister they should have it. They would soon turn all the deserts around them into gardens. Such a knot of active husbandmen, who turn their rocks into scenes of fertility (*because, I suppose, their own*) would do the same by the wastes, if animated by the same omnipotent principle." Again, "Walk to Rosendal (near Dunkirk), where M. Le Brun has an improvement on the dunes, which he very obligingly showed me. Between the town and that place is a great number of neat little houses, built each with its garden, and one or two fields enclosed, of most wretched blowing dune-sand, naturally as white as snow, but improved by industry. *The magic of property* turns sand into gold."

There would be no difficulty in obtaining from other countries an abundance of similar evidence with regard to the "magic effect of property," and I think that such testimony clearly proves that peasant properties are favourable to the production of wealth. In every country in which they exist on a large scale, it has been remarked by the most competent observers that the land is well cultivated, and yields more net produce than under any other system of landed tenure. Although

the facts which have been brought forward to support this opinion may challenge refutation, yet it will not be surprising if they do not bring conviction to the English reader; for he probably will plausibly urge, that a great part of the land of England would soon be occupied by peasant properties, if they were economically so advantageous as we have here represented them to be. If the cultivation of land by small proprietors was more remunerative, land when divided would realize a higher price, and consequently whenever a large estate was sold, it would be split up into a great number of small properties; yet in England it is observed that exactly the reverse of this takes place; landed estates are growing larger instead of smaller; for, as we have before said, a tendency seems constantly to be at work, which causes a great number of small freeholds to be merged into one large estate. Our previous remarks will however explain this seeming anomaly. The agricultural value of an estate is not the only circumstance which affects its price. A considerable portion of the value of an estate arises from the social distinction or political influence which it confers, and also from the opportunity which it affords to enjoy the pastimes and pleasures of a country life. Any cause which limits the amount of land brought into the market, *pro tanto*, raises its price above its

agricultural value; and in a country like our own, the price of land constantly advances more and more above its agricultural value, because, as the accumulation of wealth increases, a larger number of people can afford a greater outlay, in order to enjoy the pleasures which are associated with the possession of land.

There is also another circumstance which exerts no inconsiderable influence, and which prevents land being divided into small properties. Our method of conveying land is most cumbrous and most expensive, and in order to obtain a secure title the same elaborate processes must be gone through, whether the land is considerable or inconsiderable in extent. If, therefore, an estate of 1000 acres was sold in lots of 20 acres each, the aggregate expense of conveying these 50 small properties would form a very appreciable portion of the whole value of the land. It is therefore evident that in England the subdivision of land is impeded by various causes, some of which are natural, and others artificial. Even if it were desirable, it would be impossible to control those causes which are natural, for the owner of a large estate ought certainly to be permitted to sell it as a whole, if he thinks that by doing so, he can obtain a higher price. But the public and our legislators ought seriously to consider, whether those artificial restric-

tions can be justly maintained, which prevent the acquisition of landed property by the people. I assume it has been proved by the facts here adduced, that small landed properties promote good cultivation, and therefore conduce to the production of wealth; but I shall be able to urge a still more powerful plea in favour of small landed properties, when I compare the social and material condition of the peasant proprietors with our own agricultural labourers.

Before I mention any special facts bearing upon the social effects which result from peasant properties, it may be well to remark, that the condition of a man who can enjoy the entire fruits of his own labour is in every respect superior to the condition of one who is simply a hired labourer, and who, consequently, has no direct interest in the work upon which he is employed. The faculties of the latter are never fully stimulated, his hopes are not excited by success, his energies are not called forth to contend with the difficulties and disasters to which every employment is liable; his life is, in fact, one of dull routine. It may be said that he is spared many anxieties with which the labourer who is his own master has to contend. But it is almost a truism to assert that these cares and anxieties are the most valuable instruments of education, and that without them the human faculties

can never be adequately developed. These general observations may be corroborated by actual experience, at least in the case of an agricultural community. All writers on peasant proprietors bear the most decided testimony to their incessant and intelligent industry. In Switzerland, France, Flanders, and the Rhine-land, we are told that the small proprietors who cultivate their own land economise their time with the most scrupulous care; they earnestly strive to turn every half-hour to the utmost possible advantage; they work early and late, and their labour exhibits a watchfulness, and a fostering attention, which is never acquired by hired labourers. Magical is the influence which the feeling of property exerts, and truly indeed has it been said by Arthur Young, that it is potent enough to turn sand into gold, and convert a desert into a garden. So great is the industry of peasant proprietors, that some writers have alleged that they are too industrious; that they are in fact too much engrossed in the business of life. But it is with reference to the prudential virtues that they offer the most striking contrast to our hired labourers. The worst paid workmen in this country are so thoroughly reckless, that they seldom show any foresight for the future; and many consequently who are impressed with this fact have maintained, that higher wages effect no permanent improve-

ment in the condition of the poor. They do not save their increased earnings, but spend their money either in drink or luxurious living. That this should be the case can be a matter of no surprise whatever. There is no effect of ignorance more certain than an almost entire absence of foresight; and the life of a hired labourer can exert no influence whatever towards cultivating any of the habits of prudence. His poverty is so great, that he naturally indulges in somewhat better living when he has the means; and even if he should, by dint of great sacrifice and exertion accumulate a trifling amount of money, he very seldom has any eligible opportunity of investing these savings. No definite prospect is held out to him that his savings will ever enable him to occupy a different social position. If a hired labourer saves twenty pounds, he has no chance of investing it as capital in some profitable employment; the only purpose to which he can devote it is to place it in the savings-bank, where he obtains something below the current rate of interest. How much more powerfully would prudence be stimulated, if a definite prospect were held out, that a labourer might in the course of time, by means of his saving, secure a small landed property! The value of such an acquisition to the labourer is not to be estimated by the amount of wealth with which it enriches him. It makes him,

in fact, a different man; it raises him from the position of a labourer, and calls forth all those active qualities of mind, which are sure to be exerted when a man has the consciousness that he is working on his own account.

These remarks are corroborated by the unanimous testimony of the most competent authorities; for it has been repeatedly affirmed that peasant proprietors are invariably a most thrifty class, and so anxious are they to accumulate capital that the style of their living has often been erroneously supposed to denote poverty, when it is simply the result of great economy. The advantage to be derived from saving is brought most distinctly home to them. A small proprietor knows that if he can save a few pounds, he shall be able to have another horse or cow, or perhaps some new implement, and he is able clearly to foresee the profit which he shall derive from such a purchase. Let a man once feel how efficient the wealth which he saves may become in producing more wealth, and he is sure in future to exert himself actively to accumulate capital. Mr Browne, who was a few years since the English Consul at Copenhagen, has made some most interesting observations, with reference to the peasant proprietors of Denmark. He bears the most decided testimony to their thrift, and also to the superior comfort

in which they live. Thus he says, "The first thing a Dane does with his savings is to purchase a clock, then a horse and cow, which he hires out, and which pay a good interest. Then his ambition is to become a petty proprietor, and this class of persons is better off than any in Denmark. Indeed, I know of no people in any country who have more easily within their reach all that is really necessary for life than this class, which is very large in comparison with that of labourers."

A system of small landed properties has sometimes been condemned, because it has been supposed to encourage a reckless increase of population. Upon this point the late Mr Richard Jones was most strong in his denunciation; but although this political economist collected many most valuable facts, yet he was prone to make unsupported statements, and without assigning sufficient evidence, often called upon his readers to reject a theory, or to assent to some particular opinion. Mr Jones says, that the peasant proprietors are "exactly in the condition, in which the animal disposition to increase their numbers is checked by the fewest of those balancing motives and desires, which regulate the increase of superior ranks, or more civilized people." But he gives no reason for this opinion, nor does he attempt to support

it by specific facts. Many other writers, besides Mr Jones, have maintained that small landed proprietors must become gradually impoverished, in consequence of the continued division of the land amongst the children of each generation. It is not unfrequently assumed, that a man will marry directly he acquires a small landed property, a large family will have to be maintained, and that the father will be able at his death to make little or no provision for his numerous children, unless he either divides the land which he owns amongst them, or else leaves the land to one of his children, heavily encumbered with annuities, to be paid to the rest. In order to disprove such suppositions, we will in the first place, show that all *à priori* reasoning would lead us to conclude that the acquisition of property will act more powerfully than any other circumstance to make a class prudent with regard to marriage; we shall in the second place adduce specific facts, bearing upon the slow rate of the increase of population amongst peasant proprietors.

The most casual observer may have remarked that the poorest classes in this country show the greatest imprudence in regard to marriage. As a general rule, a man does not marry in the middle and upper classes, unless he believes that he shall at any rate be able to give his children

as good an education as he has himself received, and be also able to place them in a social position, similar to that which he himself occupies. The majority of men are accustomed to some particular style of living; and they generally refrain from marriage, if the increased expenses of married life would compel them to live in a manner which would not give them what has been aptly termed "their habitual standard of comfort." But the very poor are not influenced by any such considerations; they are not restrained from marriage by a desire to preserve a certain standard of comfort. What standard of comfort could the miserable cottiers of Ireland have had? Those who are accustomed to poverty, do not attempt to exercise any restraint with regard to marriage; and amongst such persons, population is only restrained by the great mortality which prevails amongst the very poor, and more especially amongst their children. But when a labourer becomes a landed proprietor, he is at once influenced by the same motives which render the middle and upper classes prudent with regard to marriage. A person in the middle class appreciates the value of the position he occupies; and he will not marry, if marriage will so impoverish him as to render it necessary for him to resign his social position. A small landed proprietor must be quite as forcibly

convinced of the superiority of his own position, compared with that of a hired labourer; and he will be equally careful not to marry, if he considers that the expenses of a family would force him to give up this position, and would compel him to sell his land, and return to the ranks of the ordinary labourer.

We have moreover abundant evidence to prove that peasant proprietors are acted upon by these motives. Sismondi, perhaps more than any other writer, has been impressed with the evils which result to the poor from over-population, consequent on imprudent marriages; and his strong advocacy of peasant proprietorships is principally based upon the conviction, that the system acts powerfully to restrain population. His testimony with regard to France is extremely important, because in France the system of small properties is put to the most severe test, by the operation of the law, which enforces the equal division of landed property. Sismondi says, "There is no danger lest the proprietor should bring up his children to make beggars of them. He knows exactly what inheritance he has to leave them; he knows that the law will divide it equally amongst them; he sees the limit beyond which this division would make them descend from the rank which he has himself filled; and a just

family pride, common to the peasant and to the nobleman, makes him abstain from summoning into life children for whom he cannot properly provide."

In contrast with these results, the effects of our own system of landed tenure may be correctly characterized in the following manner. The land is owned by comparatively few great landlords; it is occupied by tenants who have sufficient capital to cultivate large farms, and the labour is supplied by hired labourers, whose wretchedness is proverbial, and between whom and their employers there is none of that personal sympathy which can alone be secured by the feelings of common pecuniary interest. I know our agricultural labourers well, I have long lived amongst them, and I can therefore describe their condition with confidence. In those localities which are not contiguous to the manufacturing districts, the wages of an agricultural labourer during the winter months do not exceed ten shillings a week; he works hard, he is often exposed to inclement weather, and with these wages he cannot procure for himself and his children a sufficiency of the necessaries of life. He rarely if ever tastes meat more than once a week. I have known many able-bodied men, who have to go through a long day's fatigue, have nothing for dinner, day after day,

except tea and bread and butter; their strength is prematurely exhausted, and they often become old men at an age, when if they were better fed, they would be in the prime of life. Their condition always verges on pauperism. From such scanty wages, it is impossible to make any provision for old age or sickness. An agricultural labourer can rarely be found who has saved even a few pounds; he has to work with the regularity of a machine. No hope of more prosperous days cheers his monotonous career; a miserable prospect stands before him; for he knows that when his strength is exhausted, he must come to the parish as a suppliant mendicant for relief. The cottages of these labourers are frequently so bad, that they scarcely deserve the name of human dwellings; all the children of the family are commonly huddled together in one bedroom; every decency of life must be ignored and forgotten; and against the vices thus engendered, an antidote is supposed to be provided by the Church, the school, and the patronising speeches which may be delivered by the resident proprietor at an agricultural dinner. I have no hesitation in saying that if labourers became in the same way as horses, the property of their employers, it would be advantageous in a pecuniary sense, to feed and house them better. It is no consolation that the

labourers of other nations endure as much poverty as our own labourers; it must be remembered that in England wealth is accumulated far more rapidly than in any other country, and the misery of our poor becomes more deplorable to contemplate when it is contrasted with our vaunted progress in civilization, and in material prosperity.

I think, therefore, that it is the imperative duty of our legislature, to abolish all those artificial restrictions which impede the division of land into small properties; for the observations which have been made in these pages, though by no means exhausting the subject, have established two propositions:—

First, when land is cultivated by small proprietors, it is at least as well cultivated, and as productive of wealth, as when a system of landed tenure like our own prevails.

Secondly, the condition of the peasant proprietor is in every respect superior to that of our own agricultural labourers, both in its social, material, and moral aspects.

Many may very naturally suppose, that unless the land is compulsorily subdivided, small proprietors, cultivating their own land, can never again exist as a numerous class in England. But whether this may be so or not, justice and policy would still equally demand that all artificial restrictions

which limit the amount of land that is sold, should be abolished, so that every one may have the greatest possible facility of acquiring land. The first care of Government, and its ultimate end, should be to promote the happiness of the people, and it cannot be denied that the nation at large would be more happy, if the soil which has been given to it by nature was enjoyed by many, instead of being possessed by few.

I should be the last to advocate the compulsory division of land; I would not confiscate one single right of property; but I regard the aggregation of land in the hands of a diminishing number of proprietors, as a national misfortune; and I therefore think that our laws should no longer be permitted to encourage this growing evil. No one can deny that primogeniture is facilitated by the existing power of entail, and that it is also promoted by the high sanction which is given to it, by a law of intestacy, which affirms as a principle, that if a man dies without a will, natural justice demands, that all his landed property should devolve to his heir. So wicked and mischievous a principle ought no longer to be enunciated by the law of England: I do not desire that a man should be prevented leaving his property to one child if it is his wish to do so; but if he leaves no will behind him, then I maintain that our law

ought not to make the slightest distinction between real and personal property. It may be urged that such an alteration in the laws of intestacy, as is here proposed, would produce very little effect; probably it will be said that men frequently now abstain from making a will, because if they die intestate, their property will be distributed in exact accordance with their desires. It will be therefore argued that if the existing laws of intestacy were changed, the great majority would at once make a will; and that therefore this change in the law would produce little effect, because intestacy would become extremely rare. But this argument, even if its truth is admitted, provides no valid reason in favour of the maintenance of those distinctions, which our law upholds, between real and personal property. Men's actions are controlled by custom, and social morality is often tested by conventionality. A man cannot instinctively feel that he ought to leave all his real property to his eldest son, and thus enrich one child and impoverish all the rest; custom and conventionality can alone justify such a course of conduct; and is not the custom perpetuated, and does not primogeniture receive the sanction of conventional morality, when the State, having to give effect to what ought to be regarded as a man's right intentions and natural desires, declares as a principle, that personal pro-

perty ought to be equally distributed, but that landed property should pass intact to the heir?

A change in the law of intestacy, ought to be the first department of the land question, which should be discussed in the House of Commons. Such a question could be brought forward with peculiar advantages. Its settlement would destroy a bad and mischievous principle, and would in its place establish a right and beneficial one. Moreover, it may be regarded as peculiarly fortunate that this important result could be achieved without in the least degree interfering with any right of property; for no one can think that he is harshly dealt with, if the fullest freedom is given to him, to devise his property as he likes. When this question has been settled, there will arise another, perhaps more complicated and difficult; for sooner or later, Parliament must consider whether or not the interest of the country demands, that the existing power of entail should be in any way limited. I have already explained that entails are at the present time created by settling estates upon unborn children. Consequently it can be readily shown that the only real effectual limitation upon entails would be to decree that no estate should be vested in an unborn child.

It is not necessary for me to repeat that by the operations of the system of entails, a con-

siderable portion of the land of this country may be regarded as a commodity which cannot be sold. There are however other disadvantages connected with entails to which I will briefly allude. I have already remarked that the great cost involved in the transfer of real property in this country acts as a severe impediment upon the acquisition of small landed estates. Every one who has ever drawn a conveyancing deed, will be prepared to admit that although a registration of titles would prove extremely beneficial, yet the conveyance of land must always be complicated and expensive whilst such a vast number of interests are allowed to be created in a landed estate. Without entering into a technical legal discussion, it must be evident that the creation of these multifarious interests is greatly facilitated by permitting land to be left to a number of persons who are as yet unborn. Hence two objects would be effected by the limitation upon the settlement of landed property which we have here proposed. In the first place a greater quantity of land would be brought into the market; secondly, the acquisition of land in small plots would be rendered more easy, because the cost of conveyancing would be diminished. Moreover, the other legislative measure which we have advocated would tend to produce similar results; for if the laws of intestacy

were altered, the number of landed proprietors in this country would inevitably be increased, because primogeniture would operate with continually lessening effect if it ceased to obtain encouragement by receiving a high sanction from the law of this country.

Before proceeding to consider whether the legislative changes which have been here suggested would be accompanied with counterbalancing disadvantages, I would briefly summarise some of the remarks which have been made upon the results which arise from the aggregation of land in great and increasing estates. In the first place I endeavoured to convince you that these large estates naturally lead to a bad and mischievous system of agricultural economy. A great portion of the land of this country is settled either upon unborn children or upon minors; those who are in possession of the land have consequently often only a modified interest in it. They are therefore discouraged from investing capital in agricultural improvements, and they have no power to sell the land to others who might have the inclination and the means to improve it. Again, estates are so large, that the land can rarely be cultivated by those who own it, and I have sought to prove to you that this separation of the cultivation from the ownership of the soil must be inevitably an

obstacle to good agriculture. But I have with particular emphasis described to you the condition of those who are engaged as labourers in the agriculture of England, because I regard this as the most important part of the whole subject. If capitalist farmers find it each year more difficult to become the owners of land, how remote must be the chance that the labourer can ever obtain the possession of a plot of ground. I have adduced facts which I believe prove that the peasant proprietors of the continent enjoy a prosperity which our own agricultural labourers can now never hope to attain. There are however other manifold evils which result from our present agricultural economy. You have no doubt often heard lamentations about the improvidence of our labourers. If they are more reckless than other classes of the community, depend upon it this is due to some cause which must be attacked, if we desire to remedy the evil. The cause can be easily discovered; for can we suppose that self-denial and prudence will be practised by those who feel that they cannot descend to much greater poverty, and who also cannot see definitely placed before them any real hope of raising their condition? How rapidly would the character of this portion of our population be changed if a man could say, A few years of steady industry, accompanied with prudence, will enable me to save suf-

ficient to purchase a plot of ground, and thus own the soil which I cultivate!

I cannot better illustrate the powerful effect which such sentiments produce upon men's character than by relating to you a most suggestive anecdote. A friend of mine, a very intelligent traveller, met, whilst in Italy, the agent of one of our largest railway contractors. This agent had 12,000 labourers at work upon his various contracts. My friend asked him whether he preferred as labourers, Englishmen or Italians. His reply was as follows: "I have no hesitation in saying, that I like employing Italians better than Englishmen; the latter have, no doubt, greater strength and energy, and have the power of getting through more work in a day, but they often cause me much trouble and loss, on account of their intemperate and imprudent habits; on the other hand, I have always found the Italians, from whatever part of the country they come, are sober, thrifty, and industrious; they seem invariably influenced by the strongest desire to save sufficient to enable them to purchase a plot of ground, and this makes them exceedingly frugal and industrious. I am quite convinced that the prospect of securing the possession of a small plot of land exerts a most powerful and beneficial influence on their character."

Experience has in fact always shown that there

is no taste more firmly implanted in man's nature than the desire to become the owner of land. This being the case, I venture to put this serious question to those who uphold the present restrictions which impede the acquisition of land in this country:—I will ask them whether they have considered to what an extent our national greatness and happiness may be imperilled if the élite of our labouring population should be attracted to the United States, and to our Colonies. In those regions land is cheap, labour is highly remunerated, and the desire to become a landed proprietor is one which can be easily gratified.

I trust you will not think that I desire to forbid primogeniture; if a man wishes to leave all his real property to his heir, I would give him the fullest power to do so; but it will perhaps be said, that the maintenance of our constitution requires that primogeniture should be encouraged. I have already anticipated this argument, and I again assert that, in these days, the possession of land does not give the House of Lords its power. The chief enemies to the House of Lords are some of the Peers themselves; the stability and permanence of this venerable assembly is ever liable to be undermined by those who show to the country that they are too careless, too ignorant, or too much absorbed in pleasure, ever to exercise the legislative func-

tions to which they are born, except by placing a proxy in the pocket of their party-leader. Those, on the other hand, who cause the House of Lords to be honoured and revered by the nation are those who have proved their power and capacity either in the camp, in the forum, or in the arena of politics. A Lyndhurst, an Ellenborough, a Dalhousie, or a Canning, might check the hasty legislation of an elective assembly reflecting the excitement of the people; but who will pretend to say, that the influence which such Peers as these could wield is one jot strengthened by the possession of landed property? The House of Lords would soon fall into a state of pitiable feebleness, if that assembly was not constantly renovated and invigorated by men who have won peerages by illustrious services. If there be any one who wishes to see that venerable institution swept away, he would soon have his desire accomplished, if primogeniture was allowed full scope, and none were admitted to that assembly but those who had inherited the right to be there. The people will never again consent to think that the Peers have a right to exercise legislative power and to claim obedience, simply because they are a landed aristocracy. The House of Lords will be honoured and obeyed, as long as it proves to the people that it possesses deliberative wisdom, and calm and temperate judgment.

I have dwelt as little as possible upon the political aspects of the question, and I will now proceed to consider some economic tendencies, which may be regarded as likely in this country to prevent the increase of small landed properties. Although I have spoken very favourably of peasant properties, yet I have endeavoured impartially to compare the relative advantages of large and small farms. In many departments of agriculture, large farms when compared with small ones are likely to become gradually more remunerative as machinery is more extensively applied to the cultivation of the soil. In some cases however small farming will always continue to be productive, for experience has proved that if an industrial occupation requires constant care, delicate skill, and minute attention to details, these qualities are most efficiently supplied by the individual who is prompted by self-interest to be watchful and energetic. As an example, the vine and the olive cannot be successfully cultivated, unless their growth receives a tender and fostering care; hence those vineyards and olive-gardens succeed the best, which are not too large to be superintended by the watchful eye of the proprietor. Again in our own country, dairy-farming demands the utmost attention to minute details, and consequently a dairy is not likely to be very profit-

ably conducted if it is too large to be properly looked after by its owner. It therefore appears that the advantages which arise from producing on a large scale, are not equally marked in all departments of agriculture; it has however been shown by the experience derived from continental countries, that the disadvantages of farming on a small scale, are more than compensated by the many and varied beneficial consequences, which result from the association of ownership with the cultivation of the soil.

But even if it is admitted that large farming is more profitable than small farming, it is still of the utmost importance that land should, as far as possible, be made a marketable commodity. The most significant circumstance connected with the industry of this country during the last few years has been the establishment and growing development of cooperative institutions. No one who has watched this extraordinary movement can doubt that as our labourers advance in intelligence and moral worth, a greater portion of our industry will be carried on by that union between capital and labour which is implied in the word Cooperation. The subject is so important that I shall proceed in a future lecture to discuss it with great care. After I have described to you the remarkable success which has been obtained by many

of these cooperative societies, and after I have shown to you the conditions which mainly tend to secure the permanent prosperity of these industrial combinations, I am sure that you will agree with me in thinking that agriculture is perhaps more likely successfully to be carried on by associations of labourers than any other industry. When you become acquainted with some of the results which have been already effected by these industrial combinations, you will see that the day is not far distant, when labourers who have the means and the inclination to acquire land will be able to surmount the disadvantages of small farming, by uniting themselves into an association, in order to purchase a tract of land sufficiently extensive to be most profitably cultivated. We, who venture to express such opinions, shall no doubt be encountered with the old objection, that we are conjuring up visionary and impracticable schemes; but we have facts on our side, for I shall show you that in many departments of industry, where difficulties were met with, which would not have to be encountered in agriculture, associations of labourers have become the founders and conductors of establishments which are rapidly extending in importance and prosperity. These considerations will greatly strengthen the demand which the people of this country can urge in favour of abolishing

all restrictions which impede the acquisition of land. As labourers gradually advance they will feel that they have the power and the capacity to raise themselves into an entirely different social condition by forming cooperative combinations; in this way, they will supply the capital which their labour requires; they will thus become their own masters, and enjoy all the profits, which their industry yields. Our rural labourers will rapidly show an anxiety to join the movement by applying the cooperative principle to agriculture; and if in agriculture the movement is checked by artificial restrictions which would tend to prevent these associations of labourers acquiring the necessary area of land, then we may depend upon it that these men will not stay here to enrich us by their industry, and to augment our national greatness by their growing wealth and prosperity; they will seek a home in far distant regions where land is abundant, and where they will prove that, if an Englishman has fair scope for his energy and skill, he will soon raise himself from the poverty by which he may have been depressed; and he will show, that he has that in him, to entitle him to take the foremost place amongst mankind.

Before closing these remarks upon the land-question, I think I ought to direct your atten-

tion to one or two topics which are intimately connected with the subject we have been discussing. You will remember that I have commented upon the diminution in the number of landed proprietors in this country; the record however of this diminution will entirely fail to give an adequate idea of the extent to which our people have been divorced from the soil; not only were our freeholders in past ages a numerous and important class, but in those days the inhabitants of almost every village, even if they did not own land, possessed certain proprietary rights which were valuable in themselves and from which resulted many social advantages. Formerly there was scarcely a parish in England, which had not its common. This was, as its name implies, a tract of land, which was the joint property of all the inhabitants of the village. Here they could graze a cow or feed poultry, and here too was a recreation-ground, so delightful that the pleasures of the 'village green' have been immortalized by some of our greatest poets. Unfortunately in the year 1836 an Act of Parliament was passed with the view of facilitating the enclosure of commons. I believe that the legislature never passed a law which will ultimately do more irremediable mischief. The commons are being rapidly swept away. Cottagers have now no means of keeping a cow,

a pig, or poultry ; the village games are gone ; every acre of ground is carefully fenced, the beaten path of the frequented high-way cannot be left without committing the crime and incurring the penalties of trespass, and I have been too often pained to find that the turnpike road is now the only recreation-ground for village children. But perhaps it will be said that Political Economy ought to favour these enclosures because in this way land, which was comparatively waste, has been properly cultivated and thus the wealth of the country has been increased. But I doubt the fact that these enclosures have augmented the national wealth, and even if it could be proved that they have done so, Political Economy would not supply a single argument in their justification, if it could be shown that this augmented wealth has tended, not to promote, but to diminish the comfort and happiness of the people. For various reasons I am inclined to doubt that the enclosure of commons has caused a greater production of material wealth. In the first place I would observe that pasture land is every year becoming more valuable than arable land ; the price of stock and dairy-produce must continue rapidly to advance with the growth of population, whereas the price of corn may be kept low by foreign importations. Many of these commons were rich pastures, and

the country may now be said peculiarly to want the produce which they used to yield. Thus from the commons at Cottenham was made the cheese which has obtained such celebrity. These rich pastures have been enclosed and many of them cultivated; the additional corn which may be grown there does not compensate the nation for the loss of this dairy produce; wheat can be imported, but our own country must supply us with the dairy produce which we may require. But if augmented wealth has not resulted from these enclosures, nothing remains to be attributed to them but unmixed evil. Those who owned these common 'rights,' received in the first instance some compensation which was generally most inadequate. The compensation which was thus received could be, and was generally spent, and thus the next generation obtained not the slightest remuneration for the loss. But as long as the commons remained those who had rights in them possessed a property which could not be alienated. Moreover the labourer who could keep a cow or some poultry enjoyed luxuries which daily wages will never place within his reach. A great injury has thus been inflicted upon the poor, because every one who knows the working classes will tell you how much their children suffer, when they are unable to obtain milk to give additional nourish-

ment to their scanty food. Important however as these considerations may be, yet in some cases, evils of incomparably greater significance have resulted from the enclosure of commons. I will explain my meaning by taking one striking example.

You are doubtless aware that Epping Forest was a large tract of woodland country so near to the metropolis, that in bygone days Royalty here found a convenient place to enjoy the pastimes of the field. Those who lived in the neighbourhood had the right of pasturage. The Crown however retained the right to keep and hunt deer, and hence not a single acre of the forest could be enclosed without the permission of the Crown. The deer have of course long since vanished before the advancing tide of population. The proprietary rights of the Crown remained, and consequently the people represented by the Crown have for years considered that it was their undisputed privilege to walk through the pleasant glades, and to wander about undisturbed amongst the beautiful scenery of Epping Forest. But unfortunately, either through jobbing or blundering, government officials have permitted a very considerable portion of the forest to be appropriated by private individuals. Seldom is government carelessness likely to prove more mischievous; for who can estimate the extent to which the toiling

myriads of the metropolis will be socially and morally injured by the loss of such a delightful recreation-ground? How can the health of dense masses of population be maintained, if they can never feel and breathe the air of Heaven unimpregnated by noxious vapours? How can a people continue to be contented and happy, if they can never reinvigorate their exhausted energies by some of the pleasures and amusements which the country can alone afford? And finally let me ask, How can human conceptions be elevated, how can human tastes be raised above mere sordid and worldly pleasures, when there is no opportunity of feeling that inspiration which is derived from the contemplation of the beauties and glories of Nature? Fortunately all the commons in the neighbourhood of the metropolis have not yet been destroyed. A considerable tract still remains. Let us hope that a warning has been given in time, and that the government will never again be permitted to barter away, for an insignificant sum, which would be wasted in one useless military experiment, proprietary rights which have a value beyond price, not only to countless thousands who are now living, but which may be still more precious to the millions who in future ages are destined to uphold the industrial fabric of this nation.

Whilst we are considering the vital importance of obtaining open spaces of ground as public property in the neighbourhood of large towns, we are naturally led to notice another aspect of the land question. It is one which suggests topics of grave and pressing significance. It can be scarcely necessary to remark to you that the land on which a city is built, must rapidly become more valuable, as its population and wealth increase. London may now be regarded as the great emporium of the world's commerce. History furnishes no parallel of such an accumulation of wealth, and this wealth seems to be so distributed that the rich grow rapidly richer, whilst there is no perceptible advance in the comfort enjoyed by the industrial classes. I do not of course deny that money wages have been augmented by this increase of capital, but this apparent advantage is to a great extent lost, because many of the necessities of life are becoming dearer. The great difficulty with which the labourers in our large towns have to contend is the scarcity of house-accommodation; moreover this is a difficulty which is to a great extent created by our material prosperity, and it is one which grows with the growth of wealth; for what is the spectacle which London presents at the present time? Land is there becoming too valuable, either for the erec-

tion, or the retention of humble dwellings. The homes of the poor are being rapidly swept away, in order to make room for offices, shops, warehouses, and all the other appliances of increasing commerce. The suburbs of the metropolis are being covered with the villa residences of the wealthy, and thousands of labourers' houses have been destroyed by the railways which now intersect London, and which are absolutely required in order to circulate the augmented traffic. You will readily understand the sad consequences which ensue. A greater number of human beings have to find accommodation in a smaller number of houses; overcrowding with all its attendant evils is inevitable, the comfort of the poor is diminished, morality cannot thrive when people are compelled to huddle together regardless of every decency of life; all the conditions upon which health depends are ignored, and typhus and other diseases assume the constancy of an epidemic. But you will perhaps ask whether an efficient remedy can be suggested. I cannot hope that any remedy will be completely effectual; I do however maintain that where such evils are more or less the natural accompaniments of our present commercial development, they should, as far as possible, be counteracted, and not encouraged by our legislature.

It is evident that what is wanted, is land upon

which dwellings for the industrial classes could be erected. I do not advocate any undue Government interference, but I think that the remarks which have been made upon this subject supply not the least forcible arguments in favour of those alterations in the law of real property, which would, as we have shewn, facilitate the acquisition of land. Natural causes are each year tending to make land in the neighbourhood of our large towns more and more scarce; let not therefore this scarcity be promoted by laws which prevent land being brought into the market, and which also augment the cost of transferring land from one proprietor to another. It is more than probable that the difficulty of supplying house-accommodation for the poor will become so great that some other legislative interference will be needed. The industrial classes will each year be compelled to live at a greater distance from their work, and the question will therefore arise, whether the Government ought not to compel the metropolitan railways to run special cheap trains for the convenience of working men. At the suggestion of Lord Derby, a standing order has been passed, which will secure that these cheap trains should be run on each new railway which is brought into London. Let us hope that the same provision will be extended to all the existing metropolitan railways. No one can fairly

say that the rights of private property will be thus unduly interfered with; for when permission to make a particular railway is granted, a monopoly is conferred upon the proprietors of the railway, and the legislature has an indisputable right to make those who accept and enjoy a monopoly, use it in such a way as will most effectually promote the well-being of the country.

CHAPTER III.

Cooperation.

IN the last chapter an incidental allusion was made to the industrial projects which have been, and may be carried on by associations of labourers. Our national economy is at the present time characterised by a complete separation between capital and labour. One class, termed employers, supply the capital which industry requires, and another class, who are the employed, supply the requisite labour. The proceeds of industry are divided into two distinct shares; the one share is the wages which the labourer receives as his remuneration, and the other share is given to the capitalist in the form of profits; these profits reward him for the investment of his capital and for his labour of superintendence. It is evident, however, that the labourer will enjoy the whole proceeds of his industry, or in other words, that profits as well as wages will be allotted to him, if he, instead of obtaining a supply of capital from another,

provides all the capital which his labour may require. Thus the peasant proprietor owns the land which he cultivates, and also furnishes the necessary capital, and consequently the whole produce yielded becomes his property. Formerly the artisan capitalists who worked on their own account, and not for a master, were a numerous class: but many of the causes which have swept away the small freeholders of bygone days, have also operated to destroy those domestic manufactures which once represented so large a portion of the industry of this country.

I have already shewn, that as the implements of agriculture have been improved, farming on a large scale has become more profitable. For similar reasons the handloom weavers, the pillow lace-makers, and many others who once carried on manufactures in their own homes, were inevitably destined to succumb to the new order of things which was created by such modern inventions as those which were achieved by the genius of Arkwright and Watt. When lace was made on a pillow, and when woollen and cotton cloth were woven by hand, manufactures could be carried on in the houses of the labourers. Then no advantage resulted from collecting a great number of operatives under one roof. The present, however, is peculiarly an age for production on a large

scale; manufactories are increasing in size; their machinery is becoming more extensive and costly, and within certain limits the rate of profits realized from a business seems to augment as the scale upon which the business is conducted is increased. Many of those who have been most successful in commerce have not unfrequently a capital of £100,000 invested in their industrial occupations. It would therefore seem that all the tendencies of modern times combine to make it more impossible for the artisan to become his own master, and thus advance himself beyond the position of a hired labourer. Suppose, for instance, that a cotton operative should by great prudence and self-denial save £200. With such an amount of capital it would be absurd of him to think of commencing manufacturing cotton on his own account; he might of course undertake some small business, say, a retail shop, but he would then be embarking in a business which he did not understand, and all that wonderful skill which has only been acquired by the training of years would be of no further use to him. But suppose there are 250 operatives, who, like the one we have been describing, have saved £200; they agree to unite their joint savings in a common fund. A capital of £50,000 would thus be created; this amount would be amply sufficient to enable them to become the proprietors of a

cotton-mill, as large as any of those in which the greatest profits have been realized. These 250 operatives might further agree to supply the labour which this mill required. Hence they would provide both capital and labour. The whole proceeds of their industry would be their own property; wages and profits would be merged in the aggregate remuneration which they received, instead of being allotted to reward two distinct classes, viz. the employers and employed. A complete union of capital and labour would thus be established, and this union has been termed Cooperation.

I purpose to describe to you the various phases through which Cooperation has passed. I shall shew you that many of the schemes which are known as cooperative, only deserve the appellation in a modified sense. I shall endeavour to compare the benefits which will result from cooperation, with the disadvantages and difficulties which may impede its progress. This union of capital and labour was first crudely suggested by the earliest and most distinguished Socialists and Communists, amongst whom may be ranked Fourier, St Simon, and our countryman, Owen. These men are too frequently despised, because their particular schemes have not been practically successful. Let us, however, do justice to their

memory. They were no doubt visionary and enthusiastic, but they were men who were eminently good and noble; their lives moreover were not spent in vain. They were the first to recognise the evils which are associated with our present industrial economy. They perceived that so far as the production of wealth was concerned, society was tending to separate itself into classes which were kept apart by the rivalry of self-interest, and they therefore sought to establish communities where there should be no antagonism between capital and labour, but where all should feel that they were working for the common good. I need not stay to describe to you the details connected with the inevitable failure of such schemes; I should not have referred to them, did I not feel that if I passed them by unnoticed, I should have done injustice to the memory of the earlier Socialists: for amongst those who joined these ill-fated communistic schemes, there were some who obtained an invaluable experience, which has enabled them to become the originators of the Cooperative movement.

Many of the earlier disciples of Communism, although they had to witness the failure of their schemes, yet became permanently impressed with the advantages which working men would obtain by uniting for a common object. The first attempts

which were thus made to cooperate were rude and simple; but although the commencement was imperfect and unpretending, yet a great social and economic movement was commenced. Already great results have been achieved, although cooperation may be regarded as being yet in the infancy of its development. So much is this the case in our own country, that scarcely any of the societies which are termed cooperative deserve the title; for up to the present time the principle has been almost entirely applied to the distribution, and not to the production of wealth. Thus the most extensive and most prosperous Cooperative establishment in England is the celebrated Rochdale Pioneers' Society. But this society ought to be regarded as a Store, from which produce is distributed; and in this case, it cannot be said that labourers combine their capital in order to produce wealth. I will however briefly describe the progress of this remarkable Society. Its history possesses singular interest, and I shall then be able to make you more clearly perceive the difference between a cooperative store and a cooperative trading establishment. This distinction, although generally ignored, is still very important.

In 1844, twenty-eight poor Rochdale weavers appeared to be impressed with the conviction, that their lot might be improved if they adopted some

united action. They had seen that generation after generation of working men had supported various schemes which had ended, either in disaster or in disappointment. Communism had failed as a practical measure, and those who had joined a popular agitation for a new political charter had received no adequate compensation for the self-sacrifice which they were often compelled to endure. These poor Rochdale weavers were shrewd and intelligent. After they had calmly reflected upon the various modes which had been propounded for improving the lot of the labourer, they calmly arrived at the conclusion that they had little chance of immediately increasing their income, although it was easily within their power to economise their expenditure. They knew that they purchased the commodities which they consumed at a price which greatly exceeded the wholesale price; moreover adulteration was not unfrequently resorted to; and thus it often happened that the articles which the labourer purchased were not only dear, but also impure. These weavers therefore determined to create a sufficient sum by weekly contributions to enable them to purchase, on the same terms as the wholesale trader, a few simple commodities, such as tea and sugar. In the first instance each of these twenty-eight weavers agreed to give twopence a week to the common fund. They were so poor

that it was not without a struggle that this weekly contribution was raised to threepence a week. At length the amount thus collected somewhat exceeded £20, and trading operations were commenced. A room was taken as a store in Toad Lane; this store was in the first instance opened only for a few hours during one day in the week. At the outset some preliminary difficulties were encountered; thus a few of the subscribers who lived at a distance from the store found some inconvenience in dealing there, and consequently the amount of business transacted was not quite so great as anticipated. But the sound and admirable principles which regulated the management of the concern soon caused every obstacle to be surmounted, and this humble society in a few years advanced with sure and steady steps to the most extraordinary prosperity. At the close of 1845 the Society numbered eighty members, its capital was £182, and its weekly sales averaged £30. In 1847—48, the cotton-trade was greatly depressed, and severe distress prevailed amongst the operatives. It might have been reasonably anticipated that necessity would have compelled the working men to withdraw their capital from this Pioneers' Society, but these forebodings were not realized; the difficulties were weathered so triumphantly, that from that time the permanent prosperity of

the society might be regarded as insured. As distress pressed upon the operatives, they were more and more desirous to economise their reduced wages, and they consequently enrolled themselves as members of the society. The result was, that at the end of 1848 the members had increased to 140 in number, the capital was £397, and the weekly receipts were £180. The progress from this time was rapid. In 1850 the number of members amounted to 600, they possessed a capital of £2299, and their weekly returns were £338. Each year seemed to bring continually increasing prosperity. The society has grown into a vast commercial concern; for at the present time (the close of 1864) its capital is £62,000, its annual business amounts to £174,900; the annual profits are £22,700, and its members number 4747.

The humble room where the enterprise was first started has now grown into a large warehouse, to which are affiliated sixteen branch stores. At first grocery was alone sold; now the working man can purchase from this store every article of food and clothing which he may require. They not only have butchers' shops, but they make shoes, and almost every article of wearing apparel. They have also erected steam-flour-mills, and they are thus enabled to be their own millers and bakers. But the benefits which this society has conferred.

upon the working man are not confined to mere pecuniary gains, for he has had brought within his reach social and educational advantages, which he could never have obtained without such an union of effort. Two and a half per cent of the aggregate profits realised are set aside to support a reading-room and a library. The library consists of 4000 volumes, and has been admirably selected; not only the members of the Society, but also their wives and families, are freely admitted to the reading-room, which is well warmed, and furnished with a bountiful supply of newspapers, reviews, and maps. It thus appears that pecuniary profit constitutes only a portion of the advantage which may be derived from such institutions as the one we have been describing. The working men who thus combine soon become united to each other by many social bonds. In this reading-room they enjoy the pleasures of conversation and society. They occasionally arrange amongst themselves excursions into the country; microscopes and other scientific instruments are provided by the society for those who may happen to have a taste for natural science. When men are thus brought together they lose much of that selfishness which is sure to be engendered in those who never leave the domestic circle. The Rochdale Pioneers have frequently shewn that they possess a generous pa-

triotism, for when a public object deserves their support, they have again and again proved that they are ready to assist it with a handsome subscription.

It may perhaps be thought that this society, starting from so humble a commencement, could have never achieved such great results, if it had not been assisted by some exceptionally favourable circumstances. We will therefore investigate the principles of management which were adopted, and then we shall be able more fairly to conclude whether similar schemes would in other localities obtain corresponding success. The Rochdale Pioneers have always strictly observed the rule, that no credit should be either given or taken, they both buy and sell their goods for ready money. Even a shareholder cannot make the smallest purchase without paying for it across the counter. It would be almost impossible to exaggerate the advantages which have been secured by strictly adhering to this ready money principle. For instance, no bad debt can ever be made, and thus one important item of serious loss is avoided. Since ready money is always paid, the goods which the society purchases can be bought on the most favourable terms. Again, when no credit is given, there is no money locked up in book debts, and a very large business can be done with a

comparatively small capital ; the permanent stability of the society is thus secured, for if its business should suffer from distress amongst the operatives of the district, its trade operations could be contracted without loss, when there are no outstanding credit obligations. The working men who are thus encouraged to make their purchases for ready money, are emancipated from one of the chief dangers which threaten their welfare and prosperity. The facility with which credit is given has caused the ruin of many thousands of labourers. They perhaps in the first instance begin by getting into debt for a small amount ; they become almost the slaves of the tradesman to whom they owe money ; they are no longer free to deal where they like, and they are often compelled to pay a high price for very inferior articles. The labourer becomes gradually more and more involved. As his difficulties accumulate, his recklessness increases ; at last he perhaps resorts to the public-house, in the hope that he may there forget his misery, and lose sight of his impending ruin.

After the Pioneers had agreed neither to give nor to receive credit, they next directed their attention to the principles which should regulate the distribution of profits. The plan which was adopted was most wisely conceived. It was decided that the first charge upon the profits should

be a fixed dividend of 5 per cent. on the capital, and the remaining profits were divided amongst the shareholders, in proportion to the amount of their purchases. The register of these purchases is kept in a very ingenious manner. Each customer when paying for his goods, receives some tin tickets or tallies, which record the amount he has expended. At the end of each quarter he brings these tickets, which are the registers of his aggregate purchases, and which show the portion of the profits due to him. The drawback thus given on the amount of money expended has often amounted to 1s. 3d. in the £. Many of the shareholders leave their portion of the profits as capital in the society, and in some cases very considerable sums have thus been accumulated.

I think that this brief sketch of the Rochdale Pioneers will convince you that from such societies the working men may derive inestimable advantages. I should however be sorry to conceal from you the fact that many similar institutions have been established, and that the same success has not always been obtained. To take a striking example, it may be said that these societies have to a great extent failed in London. Let us inquire why a trading institution which is so eminently prosperous in Rochdale, should wither and fade in the metropolis. This inquiry will be moreover

instructive, because it will show us the real nature of these societies, which I think have been erroneously called cooperative. For instance, I believe that the Rochdale Pioneers' Society ought properly to be regarded as a Joint-Stock Company. A number of individuals, not necessarily working men, subscribe a certain sum as capital for the purpose of trading. The business is conducted by paid managers and other paid servants. Such an establishment is therefore a joint-stock company, created by uniting the small capitals of the poor; the company is not one of production, but it fulfils the functions of distribution, which are carried on by the retail trader. In a business which simply consists of distribution, there cannot be that union of capital and labour which in my opinion constitutes the essence of cooperation.

As we have now ascertained the real nature of the societies which are termed cooperative stores, we shall be able more accurately to estimate the causes which may on the one hand assist, and on the other hand, retard the progress of such institutions. The father of Economic Science, Adam Smith, has propounded an exhaustive analysis of the advantages and disadvantages, which are associated with the joint-stock principle. He rightly concludes that the paid manager of a company is seldom likely to be so efficient a man of business

as the individual trader, who is constantly prompted to activity and energy by the powerful feeling of self-interest. Experience has consequently shown, that a business which requires constant watchfulness and an unflagging attention to minute details is not likely to be carried on successfully by a joint-stock company. It might appear that the retail trades which are embraced in the dealings of a cooperative store, belong to that particular class of business which is peculiarly unsuited to a joint-stock company. It might therefore seem that these cooperative institutions unless aided by special circumstances would be unable to compete with retail traders. This conclusion is strikingly corroborated by facts, for the cooperative stores have prospered in those towns where they have been assisted by favourable circumstances, and they have failed in those localities, where these favourable circumstances have been unable to operate. As an example, let us consider how different is the position of one of these stores in Rochdale, and one in London.

The success of the Rochdale Pioneers' Society is no doubt due to the following causes:—First, no credit is given. Secondly, the society has been managed by men of rare business qualifications, and implicit confidence has been most wisely reposed in these managers. Thirdly, the shareholders

of the Society constitute a body of customers, who will deal at the Store without being specially attracted to it. Hence no expense for advertisements need be incurred, no costly shop-fronts are required; the business need not be carried on in crowded thoroughfares, where rents are high; its appropriate situation being in the centre of the locality where the labourers reside.

There is obviously no reason why the first and second of these advantages should not be secured by any cooperative Store wherever it may be situated. It is at least not too much to say that they are essential elements of success. If these societies either give or receive credit, their failure is inevitable. Again, failure would be equally certain, if the shareholders of the society have not the wisdom to appoint as managers those who are best qualified. It will be perceived that the last of the three classes of advantages which have been enumerated, is in a certain degree dependent on locality. Rochdale is, comparatively speaking, a small town, and the shareholders of the Pioneers' Society are not so widely scattered as to make it inconvenient for them to deal at the Store. But in London the members of a similar society would probably live several miles distant from each other, and consequently when the Store was started, a considerable portion of the shareholders would live

at too great a distance to deal with it. Hence, in London, it is probable that such a society, at its first commencement would not have a sufficient number of customers. Of course it may be said that many would soon become customers who were not shareholders of the society. But if it was thus necessary to rely upon the general public, the co-operative Store would immediately be brought into direct competition with the retail shops, and those expenses would have to be incurred which are resorted to with the view of attracting purchasers. Experience has proved, as might have been anticipated, that in such a competition the retail shops are likely to prove successful. Hence in large towns it would be advisable to commence a co-operative Store, on so comparatively small a scale, that the majority of those who join it may live in the same neighbourhood. The difficulty of securing customers would in this way be obviated. An humble commencement need be no cause for discouragement; it should always be remembered that the Rochdale Pioneers began with a weekly subscription of twopence from twenty-eight members. Perhaps the most satisfactory feature connected with these institutions is, that the scale on which they are conducted does not apparently affect either the success they obtain, or the advantages which they confer. In many villages co-

operative Stores have been established, and have prospered greatly.

It may perhaps be thought that I should have given more encouragement to cooperation, if I had not laid so much stress upon the fact that these Stores are ordinary Joint-Stock Companies. I have however had a distinct purpose in view. I feared that some might think that associated with cooperation, there was some special virtue which would at once dissipate the difficulties which beset the path of ordinary industry. It therefore becomes most important not in the least degree to disguise the real nature of these societies; they, like other joint-stock companies will succeed, if managers can be secured, who will be as active, intelligent, and watchful, as individual traders. But these societies will inevitably fail if bad debts are permitted to absorb profits, or if the general body of the shareholders should so much interfere with those who manage the business, that their energy is hampered, and their superior judgment and knowledge over-ruled. It has now however been conclusively proved, that in a vast number of towns and villages these cooperative Stores have succeeded most admirably, and working men have therefore now abundant experience, from which they may obtain not only encouragement, but also guidance and instruction. They, if they like to

make the inquiry, will be emphatically told by those who have become members of such a society as the Rochdale Pioneers, that these institutions give the labourers an opportunity of self-help; and if they really wish to improve their condition, they must chiefly rely upon their own efforts, and not upon the favour or kindness of others.

A moment's reflection will show how great is the influence exerted by a Cooperative Store. In the first place, it affords the labourers an eligible investment for their capital. Improvidence has hitherto been the great bane of our industrial classes. Nothing however has so much tended to foster this vice, as the difficulty of obtaining an eligible investment for small sums of money. The Savings-Banks have been admirable institutions, and the country owes a debt of gratitude to the present Chancellor of the Exchequer for having given the poor an opportunity of depositing their savings, with all the security which the credit of the State can give. But when money is thus invested, the interest obtained is only about $2\frac{1}{2}$ per cent., and this small return frequently does not act as a sufficiently powerful motive to induce prudence. In contrast with such an indifferent investment, the Rochdale Pioneers obtain a fixed dividend of 5 per cent. on their capital, and in addition, they receive a drawback on their purchases, which

frequently amounts to 1s. 3d. in the £. But this difference in the aggregate return to their capital, great as it may be, is not the most striking feature of the contrast. The working man who has £50 deposited in a Post Office Savings-Bank receives his half-yearly dividend, which amounts to 12s. 6d., with the strictest punctuality; he however derives no other advantage from the investment. The working man who has £50 invested with the Rochdale Pioneers, has hitherto received much larger dividends with equal regularity, but the benefits which he derives from this investment are by no means confined to pecuniary profits; he becomes a member of an agreeable artisans' club; he and his family have the use of an excellent reading-room and library; he is thrown into pleasing social relationship with many of his fellow-labourers. A sympathy, a brotherly kindness, and a generosity of spirit are thus engendered, which by elevating the mind and character, give to life its greatest happiness. The working men also thus receive a training and education which may be invaluable to them in after life; they have to exercise discrimination in selecting the best men as the managers of the society, and they have to show forbearance and firmness in obeying and upholding the authority of those who are appointed to manage their affairs. These are the qualities which must

be possessed by our industrial classes, if they are ever to be raised above the condition of labourers working for hire.

The truth of this last remark will be amply verified, as we proceed to consider the consequences which result from cooperation, when it is applied not simply to the distribution, but also to the production of wealth. It has already been stated, that the store whose progress and prospects we have been describing, cannot rightly be called cooperative, for this word implies an union between capital and labour. If, for instance, the labourers who work in a cotton-mill, own all the capital embarked in the business, it is obvious that in this case there will be a complete union between capital and labour, and the manufactory will be conducted on pure cooperative principles. Although institutions of this kind are extremely rare in England, yet in France many have been carried on with remarkable success. So far as our own country is concerned, Rochdale seems to be the centre of all the various phases of the cooperative movement. The leading members of the Pioneers' Society were so encouraged by their success, that they were naturally induced to extend the principle of union, and they resolved to unite their capitals, in order to commence trading on their own account. They perceived that in this way the whole

fruits of their industry would become their own. The promoters of the scheme were chiefly cotton-operatives, and they therefore resolved to continue the business to which they had been accustomed. The experiment was commenced very cautiously. It was determined in 1855 to begin the scheme by renting a shed, which contained a certain number of spindles and other requisite machinery. The success immediately obtained was so great, that the scheme was rapidly extended. The humble shed was soon relinquished, and it was determined to rent a portion of a mill. The capital at that time possessed by the society amounted to £5000. The principles of management were most wisely conceived; those who laboured were paid the wages current in the district, and the profits were divided according to the following plan:—A dividend of 5 per cent. on the capital invested was the first charge upon profits, and after this charge had been liquidated, one half of the remaining profits was given as an extra dividend on capital, and the remaining half was given as a bonus to labour, each operative's share of this bonus being in proportion to the aggregate amount of wages which he had received. The annual profits realised were on the average about $13\frac{1}{2}$ per cent., and the profits distributed amongst the labourers amounted to a very considerable sum. Such prosperity naturally inspired the greatest

confidence, and consequently it was soon resolved to be in no way dependent on others; it was therefore determined to erect a mill. The foundation stone of this building was laid in 1856. The operatives of the district felt such confidence in the undertaking that many eagerly subscribed all the money which they either possessed or could save; and the supply of capital was so abundant, that the mill was completed in about three years; it was filled with the best machinery; its whole cost was £45,000; and competent authorities have unani- mously affirmed, that there is not a better or more complete mill in the district. After the building and machinery had been paid for, the capital which was left, was amply sufficient to carry on a large and enterprising business. Just at the time when this cooperative manufactory was completed, the American Civil War began; we were deprived of our chief supply of raw cotton, and the cotton trade was prostrated. The scheme therefore has as yet had no chance of achieving the full extent of its possible success. The trials which it has had to bear throughout this period of unparalleled adversity, have been so triumphantly surmounted, as to justify a confident belief in the future of such undertakings. Whilst the American Civil War continued, the industry of Lancashire was paralysed; few indeed of the wealthiest manufacturers could

work their mills whole time, and many were obliged to close their mills altogether. Tens of thousands of operatives were thrown out of employment; they were too independent to ask for alms until they were compelled to do so by dire necessity. When assistance had to be sought, even the charity of a generous and wealthy nation was insufficient, and the State was obliged to supply relief. But throughout this melancholy period, the Rochdale Cooperative Mill struggled on manfully; it could not have borne up more bravely against the difficulties of the times, even if it had been backed by the capital of a millionaire. With the exception of about four or five months, the mill has kept working full time; the operatives employed in it have been paid their wages with the utmost regularity; and during the crisis, the dividend on capital was on the average about 5 per cent. The whole capital now embarked in this undertaking is £92,000. Even in the darkest days of this gloomy period, so little were the operatives discouraged, that a second mill was commenced and rapidly completed.

But whilst congratulating the working men on this splendid achievement, I cannot help feeling great regret that the principles upon which this undertaking was commenced, have been materially changed. I have already told you that it was at first wisely decided, that profits should be distri-

buted between capital and labour. About three years since, this method of distribution was altered, and it was then resolved, that henceforth labour should not participate in the profits. The society has thus lost its cooperative character; it is now an ordinary joint-stock company; a portion of whose capital happens to be owned by those who are employed as labourers in the concern.

I think however that this departure from the principle of cooperation ought to cause neither surprise nor discouragement; for let us for a moment consider the position in which the shareholders of this cotton-mill were placed, and we shall then be able to estimate the seductive power of the temptation, which they were called upon to resist. It must be borne in mind that many of the operatives employed at this mill had no capital invested in the Company; moreover, a considerable portion of the capital was owned by those who had been trained to other branches of industry; and who would of course never seek employment in a cotton mill. These particular shareholders would very naturally say, In no manufactory in the country are higher wages paid than in ours; in none is employment more regular; and no similar building can be better ventilated, and in every respect more comfortable. Operatives therefore will most gladly work for us, if they simply receive the current rate

of wages; why therefore should we distribute annually amongst them many hundreds, or perhaps thousands, as an additional gratuity for which we get no return? The most wealthy manufacturers never perform such acts of generosity; the money thus voluntarily appropriated is our own property; we have every right to enjoy it; and it would materially increase the returns yielded to the capital, which we were unable to save without great self-sacrifice. It is not surprising, that influenced by such arguments as these, a considerable majority of the share-holders were induced to pass a resolution, which declared that labour should not participate in the profits realised. A minority sternly opposed the resolution, and have since made many fruitless attempts to rescind it. In this minority there were many who were early members of the Pioneers' Society; these men were so devoted to the cooperative principle, that they would willingly make some sacrifice on its behalf; they were men whose training had made them prudent and intelligent, and they could recognise the occasions when prospective advantage demanded the relinquishment of some present profit.

This minority forcibly argued that the chief guarantee for the permanent prosperity of their manufactory would be destroyed, if the labourer was permitted to enjoy no share of the profits rea-

lised. A cooperative establishment in common with all joint-stock undertakings, has to encounter some disadvantages which do not to the same extent affect a business which is conducted by an individual capitalist. For instance, as I have already said, it can scarcely be expected that a paid manager will be so energetic, and in every respect so efficient, as the owner of a business, whose activity and zeal are constantly stimulated by so powerful an incentive, as self-interest. But this disadvantage is far more than counterbalanced, if a joint-stock company is carried on upon the cooperative principle; for if labourers are permitted to participate in the profits, they at once become interested in the prosperity of the business, they are consequently prompted to exert themselves to the utmost, and hence, as has well been said, cooperation will attract the most efficient labourers, and will secure their best and most skilled efforts. In this way, the most glaring defect in our present industrial economy will be remedied, and we may be sure that labour cannot be efficient, and industry cannot permanently thrive, if employers and employed do not become more united by some of the feelings which result from common pecuniary interest.

These considerations induce me to agree with those who think that the Rochdale Cooperative Cotton Company, in thus departing from the co-

operative principle lost one great element of success; yet, in spite of this, its present wonderful prosperity has been achieved. I therefore think that this society affords the most gratifying and conclusive evidence, that associations of labourers can successfully carry on trading operations, even when they simply constitute themselves into an ordinary joint-stock company. How much more confident of success may we feel, when the advantage of making these associations cooperative shall be fully recognised! Perhaps it will be thought that in selecting this Rochdale Manufactory, I have taken an exceptionally favourable case. I should be sorry to ignore a single case of failure, but I have been obliged to describe the Rochdale Mill in some detail, because, in England; it is the only instance in which labourers have combined on so large a scale with the view of trading on their own account. In several branches of industry, where production is naturally on a small scale, associations of labourers have been successfully formed. Thus, in Manchester, there is a cooperative society for making hats, and in London, there is one for making picture-frames. If, however, we desire to obtain the fullest information on the subject, we must turn to France; for in that country, there are many associations of labourers which carry on trade upon pure cooperative principles.

Socialism and Communism made a much deeper impression upon the French nation than upon our own people. The French have been so much accustomed to dwell on these theories, that the working men of that country believed, that their condition could only be improved, and society could only be regenerated, by introducing different economic relations between capital and labour. When therefore the revolution of 1848 dethroned the monarch, and placed supreme power in the hands of the people, the popular leaders who formed the Provisional Government, directed more attention to the formation of social schemes, than to the construction of a new political constitution. Although the schemes which were thus started were ill conceived and mischievous in their tendencies, yet it was intended that the same objects should be attained as are supposed to be accomplished by cooperation. Louis Blanc, who might be regarded as representing the social economy element in the Provisional Government, has always undoubtedly been a sincere, yet mistaken friend of cooperation. He determined to carry the principle into practical effect by calling in the assistance of the State; he wished to make the labourers enjoy the whole fruits of their industry; he saw that they could not do so, unless they became possessors of capital; Louis Blanc seemed to forget that capital was the

result of saving; possibly too, his benevolent heart shrank from asking the poor to save; and perhaps too, he thought that even if they did save, it would be so slow a process, as too long to delay the social regeneration which he so eagerly anticipated. He therefore resolved, that associations of labourers should be permitted to borrow from the State sufficient capital, to enable them to commence business on their own account. Hence national workshops were established. A more mischievous scheme was never conceived; it was essentially unjust; the capital which was thus lent to workmen, had of course to be procured by taxation, and this taxation was imposed upon the general community, many of whom would be thus compulsorily obliged to give pecuniary support to schemes which would inflict the most direct injury upon them; for it is evident that employers of labour would be injured, if those whom they employed were attracted to these national workshops. The injustice was not of long continuance; for, as might have been anticipated, the whole affair proved a disastrous failure. Immediately this State assistance was granted, the labourers lost their self-dependence; the unfortunate opinion was impressed upon them that they need not rely upon their own efforts now that the maintenance of their prosperity was recognised as the first duty of the Government. When

Louis Napoleon gained supreme power, and made the people and the institutions of France obey his individual will, these national workshops were swept away, because it was thought that they might become dangerous political organizations. But even if they had been left undisturbed, they could not have long survived. A social structure raised upon a basis of economic delusions and fallacies was soon destined to totter and fall, and its ruins would serve as sad, yet instructive memorials of the disasters which result from unwise and misdirected government interference.

Whilst inevitable misfortune was impending over these State Societies, some Parisian workmen were associating, determined to rely entirely upon their own efforts. The very difficulties which, in the beginning they had to encounter, gave them an experience, which ensured future success. The Parisian workmen when forming these associations usually adopted a rule, which made it more easy strictly to adhere to the cooperative principle; for in most cases it was decided, that none but shareholders should be employed as labourers. The adoption of this rule to a great extent obviated the difficulty which has so much tended to thwart the efficiency of the Rochdale Cooperative Manufactory; for if all the labourers employed are shareholders, the hostility which is

supposed to exist between capital and labour would be greatly weakened; these two interests would be more united, and there would then be little chance that labour would be refused all participation in the profits realised. Moreover, when the labourers have capital in the business, no very great evil would result from appropriating all the profits to capital. The great industrial advantage of co-operation would still operate, since all the labouring shareholders would be directly interested in the prosperity of the business. The cooperative trading societies in Paris are very numerous. I will proceed to describe the progress of one or two of them, and the details of their prosperity will prove to you, that a way has now been discovered by which a labourer may raise his own condition, and may make his life what it has never been before.

In the year 1852, seventeen Parisian masons determined to form themselves into a cooperative society; they had then a capital of only £14. 10s., which they had accumulated by saving one-tenth of their daily earnings. At the end of the year 1854, the capital had increased to £680; and in 1860 the society consisted of 107 members, and the capital possessed by them was £14,500. The following are some of the important buildings which have been erected in Paris by this society:—The Hôtel Fould, in the rue de Berry; the Hôtel Rou-

her, in the Champs Elysées; the Hôtel Frescati, rue de Richelieu; the Square d'Orleans, rue Taitbout, etc.: and lately these cooperative masons were building an hôtel for M. Girardin, on the Boulevard of the king of Rome; an hôtel for M. Arsénne Haussage, on the Boulevard de l'Empereur; and an hôtel at Montrouge for M. Pacotte. The labourers are paid the ordinary wages current in the trade, and the nett profits realised are apportioned in the following manner:—Two-fifths of these profits form a fund, from which the annual dividend on capital is paid; and the remaining three-fifths are appropriated to provide an extra bonus on labour. The bonus which each labourer thus receives, is proportioned to the amount of labour he has performed throughout the year. No arrangements that could be devised would more powerfully promote the efficiency of labour. This is the secret of the remarkable success of this society. The cooperative masons have fairly entered into the great field of commercial competition; they have striven to do their work cheaper and better than others; and it is because they have proved that they can work cheaper and better, that they have been employed to build residences for such persons as M. Girardin, and the others we have enumerated.

The next Parisian Society which we shall describe is also one which, in its infancy, had to

struggle against most formidable difficulties. In 1848, fourteen pianoforte makers resolved to form themselves into an association; they were as poor as men could be; they had no capital, and scarcely any tools, and they were also refused any loan from the State. After bravely enduring the most severe hardships, they succeeded in saving £45, and with this they determined to commence business. They at first rented a very small room in an obscure part of Paris. Fortunately a timber merchant was so much impressed in their favour, that he was induced to give them some credit. For many months they denied themselves every luxury; in fact it was impossible to have lived on more scanty or frugal fare. One incident will illustrate the difficulty of their position. They joyfully accepted an offer from a baker to purchase a piano for £19, and to pay them for it in bread. This bread was for a considerable time the chief means of their support. All obstacles were however one by one surmounted, and their progress, though gradual, was steady and sure. In 1850, the members of the society increased to 32; they had left their first humble room, and were now renting a commodious building at £80 a year; at this time their stock was worth £1600. Within the last few years they have become the owners of a large freehold manufactory, which is furnished with the most

improved machinery, and the business which they now annually transact exceeds £8000. This Piano-forte Association has obtained a well-deserved reputation for the excellence and cheapness of its work.

Other examples might be enumerated, with the view of showing the rapid growth of cooperative societies in Germany and various continental countries. I think however, that from the facts which have been adduced, you will be able to understand the real nature of this new social and economic movement. The instances which have been brought forward, clearly demonstrate that the poorest artizans, by forming themselves into Associations, may raise themselves above the position of hired labourers and become successful traders. I do not however disguise from myself the fact that these associations require from the labourer many virtues and qualifications, which are perhaps unfortunately to be regarded as rare endowments. He must be thrifty and prudent; he must have the courage to bear at the outset many sufferings; he must have the discrimination to select the best men to be managers of the association; and he must without cavil obey those whom he has placed in this position of responsibility. He must moreover accept the lessons of experience, and thus learn when trade is good to set aside a portion

of the profits, in order to tide over the depression of bad times. It may in fact be briefly said that the members of prosperous cooperative societies are men who possess a character which entitles them to be considered the élite of the labouring population. No one therefore who is acquainted with our own country, can suppose that the majority of our working classes could immediately establish cooperative societies with a fair chance of success. I should be the last to make this statement with any feeling of reproach against those who live by daily toil; for when we reflect upon the circumstances which too often surround the youth and the manhood of our labourers, we need not be disheartened because intemperance and improvidence are frequent. If there is crime, we must remember that a considerable number of the humbler classes of this country are uneducated, and statistics have indisputably demonstrated, that ignorance and crime are inseparably associated*. If drunkenness abounds, we must not forget that the public-house will always prove attractive, if the labourers' dwellings are too miserable to afford any of the comforts of a home. If many working men are reckless with regard to

* The Judicial Statistics of 1863, show that out of 129,527 persons committed to prison in England and Wales during that year, only 4829 could read and write well.

the future, we must recollect, that unless the mind is trained, man will always be powerfully influenced by mere animal instincts; self-indulgence becomes his controlling passion, and if the intellect remains dormant, a prudent foresight with regard to the future, will rarely act with sufficient force to induce the sacrifice of any temporary enjoyment.

When therefore we consider the present condition of our labourers, I think we must conclude that as they step by step improve, cooperation and other systems of industrial economy, superior to those which now exist, will be gradually introduced. Before any considerable portion of the trade of this country can be conducted on the cooperative principle, I believe that the labourers must be trained and educated for this new state of things, by passing through several transitional economic phases. Thus it seems probable from many events which have recently occurred, that a very general introduction of what has been termed copartnership, may be one of the first changes in our national industry. A copartnership is said to exist, when an employer agrees to distribute a portion of his profits amongst those whom he employs. I shall hereafter show that whenever this system has been tried, it has proved most beneficial both to masters and men. Unfor-

tunate disputes, such as strikes, which so greatly impede the prosperity of trade, are thus effectually obviated; the employed become directly interested in the success of the work in which they are engaged; their zeal and activity are stimulated; hence their labour becomes so much more efficient, that the employer is abundantly recompensed for the portion of his profits which he agrees to relinquish.

The two systems of copartnership and cooperation are very happily blended in some of our large commercial concerns, when they are converted into joint-stock companies. The owners of the business become directors of the company, and retain a large portion, say two-thirds of the capital. The shares, which represent the remainder of the capital, are first offered to those who are employed in the establishment, and the working men who take up these shares are permitted to choose two or three directors; this arrangement enables every labourer to become in part a proprietor of the business or trade in which he works. Capital and labour thus become to a great extent united; the working men, when called upon to elect directors, are trained to the exercise of discrimination; they are also taught most invaluable economic truths; for as they are made acquainted with the details of business, they will soon comprehend the true nature and functions of capital. It is impossible

to conceive any training which is more fitted to qualify labourers for the successful establishment of such an institution as the Rochdale Cooperative Manufactory.

I cannot leave this subject without referring to a novel and most interesting application of the cooperative principle to the cultivation of land. A Suffolk gentleman, Mr Gurdon of Assington Hall, was greatly struck with the deplorable poverty of the labourers, employed on his own, and neighbouring estates. He long endeavoured to discover some efficient remedy; and about thirty years since he commenced a scheme, the success of which promises vast good to our labouring population. Mr Gurdon resolved to make the labourers his tenants; he let the land to them, charging them the ordinary rent which would be paid by a tenant-farmer. He advanced them sufficient capital to cultivate the land, and this capital was to be repaid in a certain number of years. Mr Gurdon has now been repaid all the capital which he originally advanced, and these farms are in the highest state of cultivation. The labourers, as at Rochdale, select from amongst their own body a committee of management, and those who are employed, receive the ordinary agricultural wages. The profits are divided according to a plan very similar to that which has been adopted at Rochdale. The

labourers who cultivate these farms, have been socially, materially, and morally so much improved, that it can be scarcely believed that they were once in the same miserable condition as the ordinary agricultural labourers in the surrounding district.

It seems to me that there is only one danger which can imperil the continued success of this scheme. The labourers who cultivate these farms are tenants, and they therefore possess no security of tenure. Mr Gurdon is far too benevolent ever to disturb them, but it is possible that his successor might be anxious to appropriate to himself all the additional value which has been given to the land, by the careful cultivation of these labouring tenants. This possible danger ought perhaps not to be regretted ; for it may induce the scheme to assume a higher developement. It must be admitted that by this experiment it has been conclusively proved, that associations of labourers can successfully cultivate land, even when they rent it. How much greater then would be the success achieved, if such associations owned, instead of rented the land which they cultivate. There would then be no difficulty about insuring fixity of tenure, and the labourers could never be in the least degree discouraged, by feeling that the improvements which their careful culture effected in the land might be

at any time appropriated by the individual to whom the land belonged. Such an association would be a true cooperative society; cooperation is for many reasons particularly adapted to agriculture; this branch of industry offers few temptations for speculation, and its profits are not subject to great fluctuations; the cotton-trade on the other hand has always been characterised by recurring periods of great prosperity, and of corresponding adversity.

All these various industrial schemes may be regarded as affording evidence, that the present economic relations between employers and employed have been proved to be unsatisfactory, and are therefore destined to be modified. It would be idle to attempt either to describe the exact form which this modification will assume, or to predict the rapidity with which the change may be wrought. I have merely striven to show you the benefits which result from new economic arrangements which have already been partially adopted. If we desire to hasten the change, we can only do so by bringing into operation whatever agencies may tend to give the labourer those qualities which the new state of things requires. I have already expressed an opinion that the labourer's defects chiefly arise from a want of education. But it may perhaps be said, What can be

done to promote education? Books are cheap, teachers are abundant, and schools are numerous and good. If however all this is admitted, it only seems to bring the following question more forcibly home to us. Ought the government to extend to the whole labouring population those compulsory provisions, which have secured the education of the factory children? No child, under nine years of age, is permitted to be employed in a cotton or woollen manufactory, and a child between nine and thirteen years of age is only allowed to work so many hours a week, and the employer of the child can at any time under a severe penalty, be called upon to produce a certificate, that the child has attended school so many hours in each week; the school moreover must be one, which the inspector has declared to be in a satisfactory state. The employers were at first bitterly opposed to this legislation and vehemently affirmed that such interference on the part of the State would utterly destroy their manufacturing industry. These predictions have been as signally falsified, as were the predictions of the protectionists, who were never tired of declaring that the land of this country could not be cultivated under a free-trade tariff. Protectionists have long since become free-traders, and the manufacturers now readily admit that the Factory Act has effected incalculable advan-

tage. The physical deterioration of the operatives has been arrested. Young children who are kept closely to work for ten or twelve hours a day, have a blight thrown over the freshness of youth, and they grow up with sickly constitutions and with distorted limbs. The daily training of the mind helps the development of the body, and it has been conclusively proved that the children who are at school half the day, and are at work the remaining half, acquire vigour, energy, and intelligence; the efficiency of their labour is thus so much increased, that they really do more work in a day than used to be done by those children who were employed *whole time*, and whose strength and activity were exhausted by such excessive toil.

Similar legislation must be applied to agriculture and to other branches of industry, if it is determined that a large portion of our population shall no longer continue in a state of pitiable ignorance. I have before said that the educational appliances which are liberally provided at the present day do not reach the root of the evil; there are many localities which possess most excellent schools, and yet the children of the surrounding population, and especially the boys, do not possess even the simplest rudiments of knowledge. I know agricultural villages which are supposed to be well cared for, where the ministers

of religion are zealous, where the resident gentlemen are charitable, where the schools are well managed and supported, and yet there is scarcely a youth in these villages who can read with sufficient facility to enable him to understand a newspaper. This melancholy state of things is due to one single circumstance. A father who has a large family to maintain on ten or eleven shillings a week, cannot resist the temptation of taking his children from school directly they can earn the smallest pittance. A child of eight or nine years of age receives threepence a day for holloaing at crows, and a ploughboy of about the same age obtains two shillings a week; the father, although he does an irreparable injury to his children, yet perhaps scarcely deserves to be blamed. In the first place, he is himself ignorant, and he therefore cannot estimate the blessings of education; and secondly, two shillings added to his income, increases it by nearly 20 per cent.; he cannot therefore forego this augmentation of his resources without an amount of self-denial, of which we can form no conception. Ignorance will consequently continue from generation to generation, if education is not enforced by some compulsory regulations. The experience of the Factory Acts is most valuable; it shows that education can not only be promoted but secured

by proper legislation, and the gratifying result is also demonstrated, that neither parents nor employers suffer any pecuniary loss if the children are made to attend school a certain number of hours per day; their labour becomes so much more efficient, that the employer can afford to pay them the same wages for a smaller number of hours of work. It is however possible that some temporary pecuniary loss may have to be borne; thus the employers may have to pay a somewhat higher price for juvenile labour, because its aggregate supply would be virtually diminished by these restrictions. A parent may also have to endure some temporary sacrifice, if he is not permitted to exercise absolute control over the labour of his children. But any such temporary disadvantage becomes insignificant when it is compared with ulterior consequences. A man who is allowed to grow up with his mind entirely neglected has inflicted upon him a grievous wrong; he is cut off from the surest and noblest sources of happiness, and even if he is regarded simply as an agent for the production of wealth, he is made by ignorance comparatively useless and inefficient. An unintelligent labourer is like a machine which works roughly, because no care was taken about the putting together of its various parts, which, perfect themselves, might have been so combined

that the machine would achieve completeness in all its operations. Consequently, ignorance, by impairing the efficiency of labour, inflicts upon the nation a most serious pecuniary loss. But this is not all; crime, and that improvidence which inevitably produces destitution, are in a great degree caused by ignorance. Our criminal and our pauper population involve an expenditure which is an onerous burden upon our industry. Hence if our labourers were better educated, the nation would be relieved from some of its most severe imposts; labour would become more efficient, and thus the production of wealth would be stimulated; the people would then possess sufficient intelligence to enable them to combine and to cooperate for a common object; the condition of the industrial classes would thus be regenerated, and the happiness and glory of the country would grow, as its poverty and crime diminished. We ought not to rest contented with our civilization, whilst nearly 130,000 criminals are annually convicted in England and Wales, and whilst one out of every twenty of our population is a pauper. The last fact is perhaps a more melancholy one than the first. A crime is often the result of some sudden outburst of passion; but wide-spread pauperism exhibits a settled evil which is permanently in operation. The existence of this poverty

is in itself a reproach, and its legalized relief is fraught with manifold evil. Many of those who claim parochial support, are, and will always continue to be the indolent, the profligate, and the intemperate; many too have become paupers, either because their parents have neglected them, or because they have been stricken down by diseases which have been chiefly generated by insufficient food, and by the pestilential air of unwholesome dwellings. These causes which produce poverty will gradually cease to operate, as the labourers become sufficiently advanced to raise their condition by cooperative efforts; then they will not be dependent on others to relieve them either in old age or in sickness. Now, when a man's strength is exhausted, either by old age or sickness, it seems to be considered that his proper destiny is to live upon the parish rates. Until that day comes, when a life of toil shall lead to some happier result than this, every Englishman should feel that a heavy stigma rests upon his country. This is one reason why I so earnestly desire some change in our existing economic relations; as long as the labourer simply works for hire, I know his condition will not be materially improved; I also know, that if the efficiency of labour is to be maintained, and if England is to continue to grow in wealth, happiness, and pros-

perity, the labourers must participate in the profits yielded by their industry. The object I have had in view in this Chapter has been to show you, how Cooperation in its various forms will enable this participation in profits to be accomplished.

CHAPTER IV.

The Causes which regulate Wages.

IT is essential to our investigations, that a clear conception should be obtained of the causes which regulate the wages which are paid in any employment. It is not unfrequently assumed, that wages are only controlled by the arbitrary caprice of the employer. If therefore they are supposed to be too low, he alone is blamed; and he is often denounced, as if greed and selfishness prompted him to deprive the labourer of his just reward. Such opinions as these are often maintained by well intentioned men, and consequently their philanthropy becomes a futile and misdirected effort. These opinions are also the origin of much of that ill-feeling which exists between employers and employed; for accusations will constantly be made against employers, if labourers believe that the amount of wages they receive is solely determined by the will of those for whom they work. It is therefore most important to show that wages are

regulated by fixed and well ascertained laws; and that these laws are as certain in their operation, as those which control physical nature. If a body is in motion, and you wish to change its direction and velocity, you can only do so by acting on some of the causes which produce this motion. In the same way, if you wish to alter the wages paid to any class of labourers, you can only do so by first ascertaining, and then acting upon some of the causes which determine the particular rate of wages which may happen to be paid. I will therefore proceed to consider the various circumstances which regulate the remuneration of labour.

I think that you are all sufficiently acquainted with the elementary principles of Political Economy, to know that the circulating capital of a country is its wage-fund. Hence if we desire to calculate the average money wages received by each labourer, we have simply to divide the amount of this capital by the number of the labouring population. It is therefore evident that the average money wages cannot be increased, unless either the circulating capital is augmented, or the number of the labouring population is diminished. / I have used the expression 'money wages,' because the price of commodities is one element, in determining the actual remuneration which the labourer receives; for it is

manifest, that if the articles which he is accustomed to purchase advance 20 per cent. in price, his real wages would be diminished, although his wages, estimated in money, might have increased 10 per cent. In order to avoid complexity of language, I shall assume, that there is no change in the prices of commodities, and hence the word wages will signify both the real and the pecuniary remuneration of the labourer. Since therefore it has been shown that the average rate of wages is regulated by a ratio between capital and population; we are naturally led to consider the causes which effect the increase and decrease both of capital and population.

In a wealthy country such as England, far more capital is accumulated than her own industry requires. There is scarcely a government to whom we have not lent money, and scarcely any great public work, in any quarter of the world, for which English capital is not freely subscribed. By our aid, railways will be carried within sight of the perpetual snows of the Himalayas; our steamers will traverse the remote regions of central Asia, and even young countries commencing a career of progress seek the aid of England's capital; for instance, it has been shown that England supplied £13,500,000 for the Grand Trunk Railway of Canada; whereas Canada, and the United States to-

gether, scarcely subscribed £500,000. From these remarks, it is evident that only a portion, and perhaps not a large portion of the wealth which is annually saved in this country, is invested in our own industry. If wages therefore are at any time very low, this cannot be due to an insufficient supply of capital, because the wage-fund could be immediately greatly increased if we limited the amount of capital which we annually embark in foreign investments. In this respect, less wealthy countries offer a striking contrast when compared with England. Thus the capital hitherto possessed by India has been most inadequate for the development of her vast natural resources; and labour in India has consequently been worse remunerated than probably in any other country. The ryot could do little more than supply himself with the barest necessities of life. The importation of capital into India would therefore necessarily augment the wage-fund, and would increase the remuneration of labour. Capital has been constantly flowing into India from England during the last few years. Since 1853, we have subscribed not less than £40,000,000 for Indian Railways. A considerable portion of this sum has been paid to native labourers, and the result has been, that wages in the districts which are traversed by these railways, have certainly within a short time, advanced not less than

100 per cent. But if foreign countries should send capital to England, it would produce no perceptible effect upon the current rate of wages in this country. The capital thus sent would probably be invested in our leading securities; their price would rise, and English holders would thus be induced to sell out, and would probably invest their money in some foreign undertaking. We must have all observed, that directly the rate of interest declines in this country, or, in other words, the supply of capital becomes abundant, it seems that the signal is at once given for the introduction of a foreign loan, or some other undertaking, which will soon cause the surplus capital to be absorbed. It is therefore evident, that the aggregate wealth which is annually saved in England is divided into two portions; one portion is employed as capital to maintain our industry, and the other portion is exported to foreign countries. This conclusion will naturally lead us to inquire, whether it is possible to ascertain the causes which determine the relative magnitude of these two portions, into which the wealth which we annually save is divided.

Experience has abundantly proved, that variations in the amount of capital accumulated, depend upon the profit which can be realised upon this capital, or, in other words, upon the rate of interest. If the general rate of interest should rise, a greater

inducement would be offered, to abstain from any expenditure which is not absolutely necessary, and hence more wealth would be annually saved. Since therefore a connection exists between the amount of capital accumulated, and the profit which can be obtained upon this capital, it consequently follows, that the amount of capital invested in any industry is primarily determined, by the average rate of profit which this industry returns. Suppose, for instance, that the woollen trade becomes suddenly prosperous, as it has done during the last four years; every woollen manufacturer will be anxious to extend his business as much as possible. Capital, which before he might have invested in some foreign speculations, he will now employ in his own business, and he will use his credit to borrow capital from others, who will be induced to lend it him, in consequence of the high rate of interest which he can now afford to pay them. If therefore the profits in any branch of industry increase, the capital employed in it might soon be doubled; capital will in a similar way be withdrawn, if trade is depressed by adverse circumstances. During the continuance of the American Civil War, the manufacture of cotton yielded no profit. Immense sums of capital previously employed in this industry, have consequently been sent to the London Money Market to be invested in various securities, both

home and foreign. This caused the supply of capital to be so abundant, that an unprecedentedly large number of new loans and various joint-stock companies were started.

The two examples to which allusion has just been made, clearly show that as the profits of any trade decrease or increase, the capital employed in it will be either immediately diminished or augmented. But although there is thus a supply of capital always ready to satisfy any demand, yet additional labour, if it is required in any trade, cannot be provided with the same facility. The various processes which are carried on in any industry need a particular skill, which cannot be acquired without previous training and practice. No one can visit a cotton manufactory, without observing how marvellously delicate are some of the manipulations which human hands perform, as the raw material is gradually spun and woven into cotton cloth. In other branches of industry, human dexterity shows equally astonishing results. I have often stood and watched with almost bewildered amazement, the glass-blowing which can be daily seen at Birmingham. A man places a blow-pipe in a cauldron of molten glass. He seems instinctively to dip up the precise quantity of glass he requires. His object, we will suppose, is to make a wine-decanter, similar in every respect to one

which has been made before. He begins blowing, twirling and twisting, and in a few moments the decanter is made, and the nicest eye fails to discover the slightest difference in size or shape, between it and the one which has served as a model. Yet whilst he was doing his work, apparently with careless ease; his eye, his hand, and the power of his breath, must have adjusted and controlled various forces, which are far too complicated in their operation to be traced by the most refined mathematical analysis. But this skill of the Lancashire cotton operative, or the Birmingham glass-blower, is special; and if either was to change his employment for that of the other, it would be long before he was little better than a useless bungler.

The impossibility of immediately augmenting to a great extent the labour adapted to carry on a particular branch of industry, produces some very important results, which may be best illustrated by an example. Let us suppose, and it is really what has actually occurred during the last four years, that the woollen trade has suddenly been made extremely active, by a large increase in both the home and foreign demand for woollen goods; prices rise, and perhaps it is not too much to assume, that the profits of the manufacturers are soon doubled. Every one consequently endeavours to extend his business as much as possible; labour is eagerly

competed for, and wages greatly increase. But this rise in wages would not take place if the additional labour which is required, could be obtained from other employments; since a manufacturer would naturally say: if I require additional labour, I would rather give fifty per cent. more to one who has been accustomed to the industry, than employ a bungler who has never been in a woollen mill before, for such a labourer will probably injure the machinery, and be a hindrance to others. It therefore follows, that within certain limits, the wages which any class of labourers receive, depend upon the average rate of profit which may happen to be realised in the trade in which they are engaged; because, if profits increase, more capital will be invested in this particular branch of industry, and consequently the wage-fund will be augmented.

In stating this proposition, I have been careful to employ the qualifying phrase '*within certain limits*,' since it can be readily proved that unless artificial restrictions are imposed, there is a certain rate of wages which may be said naturally to belong to each employment, and towards this natural rate, wages are constantly tending to approximate. Thus although a sudden improvement in the woollen trade may cause wages to advance fifty per cent., yet 'this rise cannot be permanently

maintained; for if this particular kind of labour receives such exceptionally high remuneration, more and more labour would be gradually attracted to the trade, and a greater number of children would be trained to follow it. The supply of labour would thus be steadily augmented, and wages would consequently gradually decline.

It is not however difficult to show, that in some branches of industry, labour must permanently receive a higher remuneration than in others. Some trades, for instance, require great skill on behalf of the workmen. This skill can perhaps only be attained after a long and expensive training, and perhaps training will not be sufficient, unless a person is as it were specially endowed by nature; thus those workmen who can grind a lens, or construct a chronometer, with the mathematical accuracy which is now demanded, are so few in number, that their peculiar skill may be regarded as a monopoly, which they can dispose of at an extremely high price; the wages which they receive are not affected by the competition of the general body of labourers, but are chiefly determined by the price which people are willing to give, for such delicate and perfect instruments. Again, proficiency in many kinds of industry can only be acquired after long practice; the young beginner in fact needs a teacher, who must be remunerated. Thus in the

engineering trade, a youth has to pass an apprenticeship of seven years; during this time he receives scarcely any wages. During the last three years of his apprenticeship, his labour may become useful, and the employer is thus remunerated for the trouble and expense of instructing him. A parent would not of course make the sacrifice which is required, if he thus apprentices his son for seven years, unless he supposed that his son would be abundantly compensated by receiving in after life higher wages, than if he had been brought up to some less skilled industry which needed no apprenticeship. Some occupations are also much more dangerous and unhealthy than others. Thus miners incur many risks, and the average period of their life is shortened by many years, in consequence of the bad air which they are generally obliged to breathe. A miner must consequently receive higher wages than agricultural labourers, in order to compensate him for these disadvantages which are connected with his employment. Some kinds of labour cannot be carried on if the weather is unfavourable. Thus building is often to a great extent stopped during the winter months. The wages which are earned by masons and bricklayers, must therefore be sufficient to remunerate them for the time during which they are kept out of work. It therefore appears that

the average remuneration which labour receives in different employments is regulated by various circumstances, such as skill, the regularity or irregularity of the employment, and the healthiness or unhealthiness of the occupation. Hence a certain rate of wages which may be termed a natural rate, belongs to each kind of labour; although it may be impossible to deduce from *à priori* reasoning, what may be the exact amount of this natural rate in any particular case. Thus suppose agricultural labourers earn ten shillings a week, we cannot say beforehand whether miners in the same district will earn fourteen or eighteen shillings a week. We may however be quite certain that their wages will be higher than those of the agricultural labourers; and the additional amount which they receive may be regarded as an adequate compensation, for the various disadvantages which are connected with mining, when compared with agriculture.

Now that we have established the proposition, that in different employments, different rates of wages must necessarily prevail, let us next proceed to prove, that the wages paid in any industry are not the result either of caprice or chance, but are regulated by principles, which are as certain in their operation, as are the physical forces from which all natural phenomena result. In order

to illustrate this truth, let it be supposed that the wages of the agricultural labourer are ten shillings a week, and that no artificial impediments prevent him from offering his labour wherever it will be best remunerated. It may with justice be affirmed, that every able-bodied man in our country, ought to be able to obtain more than ten shillings a week for his labour; such an amount will not provide him and his family a sufficiency of the necessities of life. It is impossible for him to make any adequate provision for old age or sickness, and hence he and those who are dependent on him, are constantly verging on a state of pauperism. The result is, that no insignificant portion of our population are paupers; a fact which is a serious disgrace to a country so wealthy as our own. A man who only earns ten shillings a week is so poor, that he is almost compelled to make his children labour directly they can obtain even the smallest wages. His children are constantly sent to work when they are only eight or nine years old; they have not acquired even the first rudiments of education, and it is consequently no exaggeration to say, that our agricultural population as a general rule can neither read nor write. Improved schools and large educational grants entirely fail to attack the real source of this evil, and it is a truism to say that ignorance is one of the chief causes of

intemperance and vice. But pauperism, intemperance, and vice, are not only a disgrace to the nation, but entail upon it a heavy pecuniary burden. The whole community may therefore be considered to suffer if any class of labourers are unable to earn sufficient wages. When therefore we contemplate the miserable condition of the agricultural labourers, this question is naturally suggested, Is there any one who at the present time can be fairly blamed for the existence of this poverty? Are their employers hard-hearted and unjust? And since it has been shown that the State is interested that no class of labourers should be underpaid, ought the law to interfere and decree, that no able-bodied man should receive less than fifteen shillings a week? I shall endeavour to prove to you, that such State interference would not only be futile, but would be also highly pernicious, and I shall also seek to prove, that the employers who pay these small wages cannot be fairly blamed.

It follows from our previous remarks, that the amount of capital employed in agriculture, and therefore the aggregate amount of wages distributed amongst the agricultural labourers, depends upon the profits which farming yields. A person when he takes a farm, calculates as nearly as possible what his profits will be, after he has paid his

rent, the wages of his labourers, and all other expenses. He will not of course take the farm, if he does not think he will obtain a proper rate of interest for his capital, and for his labour of superintendence. We will assume that the farm he intends to take is one of 800 acres, and that he requires a capital of £6000 for the proper cultivation of this farm; he pays his able-bodied labourers ten shillings a week, and the aggregate amount he spends in wages during the year is £800. His profits are £600, or, in other words, 10 per cent. on his capital. We believe that these assumed figures represent with considerable accuracy a real case. Now it cannot be said that 10 per cent. is too large a trade profit, and therefore the farmer by no means realizes large gains, although his labourers are underpaid. Let it now be supposed that the law interferes, and decrees that no able-bodied labourer shall receive less than fifteen shillings a week. The farmer would, if he employed the same number of labourers, now pay £1200 a year, instead of £800 a year in wages, and his profit would be reduced from £600 to £200. This would only represent an interest of $3\frac{1}{2}$ per cent. on his capital, and he of course would not under these circumstances continue such an unremunerative occupation, since he could obtain a larger interest on his capital without any trouble

or risk, if he invested his money in some ordinary security, such as bank or railway shares. The absurdity of legislating to control wages is thus clearly demonstrated.

It may however perhaps be argued, that if the farmers were compelled by law to raise their wages, they might be compensated, either by a rise in the price of their produce, or by a reduction in their rents. Let us in the first place consider, whether a rise in the price of produce thus artificially created, would really attain the objects sought. It is not difficult to show, that it would be impossible to maintain an artificial rise in the price of any produce. The price of a commodity is regulated by demand and supply, and the demand, as well as the supply, are influenced, not by the market of one country, but by the market of the whole world. Thus, if manufacturers were compelled to increase the price of their goods by 10 per cent., in order to compensate themselves for the higher wages which the law or any other power decree that they should pay; the demand for these goods would be most seriously diminished; a successful competition could probably be no longer carried on with other countries either in the home or foreign markets; their trade might in this way be almost ruined; their operations would at any rate be greatly restricted; they would consequently em-

ploy much less labour, and although they might pay higher wages, the aggregate amount which they would distribute in wages would be greatly diminished. Consequently the labourers would be injured instead of benefited, if an increase in the price of commodities, was the result of artificial arrangements to raise the rate of wages.

It would be equally futile, to attempt to raise the wages of agricultural labourers by a compulsory reduction in the rent of land. There is always a great deal of land which is so poor, that it only just pays the expense of cultivation. This land therefore would be thrown out of cultivation, if the cost of tilling it was greatly augmented by an enforced rise in wages. A considerable area of land would also be laid down in pasture, if the cost of labour was considerably enhanced. Hence less labour would be employed in agriculture, and the aggregate amount distributed in wages amongst agricultural labourers would be diminished. It therefore appears, that the consequences would ultimately be equally disastrous to the labourers, whether rents were reduced or the price of produce increased, as the result of an augmentation of wages produced by compulsory measures. Consequently any attempt to regulate wages by compulsory enactments would either be futile or would be highly injurious to those who were intended to be

benefited. All therefore that the legislature can do, is to watch with scrupulous care, that nothing prevents wages being freely controlled by demand and supply. It should be considered that the working man has a commodity, namely, his labour, to dispose of, and it is most desirable that he should have the fullest opportunity of disposing of his labour, on the best possible terms. We shall presently inquire whether or not some of the conditions connected with our poor law system operate in such a manner, that many at least of our labourers are virtually restricted to a district, and cannot therefore obtain so high a price for their labour, as if they were freely permitted to offer it in the open market.

If it was more clearly understood, that the price of labour was regulated in the same way as the price of any commodity such as wheat, by demand and supply, professed philanthropists would cease to talk idle nonsense about hard-hearted employers, and the labourers themselves would at once see what is the origin of their poverty, and what are the means which would be effectual in improving their condition. If a commodity declines in price, it must be because the demand for it is diminished, or its supply is increased. If it is desired to advance its price, the demand must be augmented, or the supply dimi-

nished. In the same way, if it is desired to raise the rate of wages, either more capital must be invested in industry, or the number of the labouring population must be diminished. If the capital invested in industry increases more rapidly than the number of the labouring population, wages must advance. The progress of England during the last few years, has been marked by a great increase both in wealth and population. It can however be conclusively proved that capital has increased more than population, and wages consequently have advanced. This advance in wages has been greater in some employments than in others. The vast extension of our foreign trade and commerce, has caused a great demand for manufacturing and building operatives, artizans, shipwrights, &c.; and their wages have consequently advanced in a much greater ratio than the wages of agricultural labourers. It becomes very important to consider, whether labour is likely to continue to obtain a larger remuneration; and we will therefore proceed to investigate various circumstances which bear upon this question.

It is evident from the remarks I have already made, that the amount of capital invested in industry, is mainly regulated by the amount of profit which can be realized. We must therefore endeavour to ascertain, what are the circumstances

which are likely to affect the future rate of trade profit. It will also be necessary to consider some of the various circumstances, which may cause either an increase or a decrease in our population. On the one hand, marriages amongst our labouring population have hitherto varied with their prosperity; but, on the other hand, it is possible that if their condition was improved, they would become more prudent with regard to marriage. An immense number of the working classes during the last few years have emigrated. We must consequently inquire, whether it is probable that this emigration will continue, on a larger or smaller scale. The poverty of our poor has in various ways exerted a most powerful check upon population. The poorer children of this country have been almost decimated by diseases engendered, not only by want of food, but also by the air which they are compelled to breathe, in dwellings which are not fit for human beings to live in. These and various other circumstances must be discussed, if we seek to form an estimate of the probable increase in our population, compared with the probable future accumulation of capital.

When considering the remuneration which labour is destined to receive, the essential distinction between real and money wages must be very carefully borne in mind. It is evident that if the

commodities which the labourer ordinarily purchases advance in price 20 per cent., his real wages would be seriously diminished, although nominally they might be advanced 5 or 10 per cent. It therefore appears that the price of food, and also the price of the various other commodities which the labourer purchases, has a very essential bearing upon our investigations. Let it for instance be assumed, that the manufacturing operative earns forty shillings a week, and that owing to an advance in prices, this forty shillings will only exchange for the same quantity of commodities as could formerly be purchased for thirty-five shillings. In order therefore that the labourer might not be worse off, his wages ought to be advanced from thirty-five to forty shillings a-week. But who is to pay these extra wages? If the manufacturer pays them, his profits will decrease, and he will be induced to diminish the amount of capital invested in his business; whereas it would be necessary to increase the amount of capital, because if those whom he may employ are to receive higher wages, the wage-fund must be augmented. Again, if the manufacturers advance the price of their goods in order to pay their labourers higher wages, their trade would manifestly suffer, because the demand for a commodity depends upon its price. But if the trade suffered, the labourers must be injured,

since manufacturers would contract their operations and employ fewer hands. It therefore follows that a rise in the price of the commodities which the labourers purchase, must inflict a real loss upon them, because this rise in price does not produce any advantage to the employer, which would enable him to compensate his labourers for the greater expense which their living now entails.

I will however bring forward some further considerations, in order to show you, that of all the causes which promote the prosperity of the labourer, none are more efficient than cheap food and cheap clothing. I have frequently remarked, that the amount of capital which is invested in our industry, depends upon the amount of profit which can be realised. This proposition is moreover of special applicability, with regard to such a country as England; each year the capital which we accumulate is more freely embarked in foreign investments. The aggregate savings of the country are therefore divided into two portions, which are diverted into distinct channels. One of these portions represents the capital which we send to other countries, the other portion represents the capital which we invest in our own industry. The relative magnitude of these two portions will evidently be determined by the returns which are

yielded upon capital when invested abroad, compared with the returns which are yielded when it is invested at home. If, for instance, the rate of profit increased in India, and declined in England, a greater portion of our national capital would be sent to India, and a smaller portion would be retained, to be invested in our own industry. Hence the rate of profit which prevails in England, not only influences the amount of capital which is saved, but also determines what portion of this capital shall be retained in this country. It therefore at once becomes evident, that the employed are as much interested as are the employers, in the maintenance of the rate of profit, because it has been conclusively proved, that if the rate of profit is diminished, there will not only be less capital accumulated, but an increasing portion of that which is accumulated will be exported to foreign countries. Let us therefore seek to discover some of the circumstances which exert the most powerful effect in sustaining the rate of profit.

It is scarcely necessary to remark, that any circumstance which increases the efficiency of labour will tend to augment the rate of profit; for if labour is made more efficient, more wealth will be produced; hence there will be more to distribute both amongst the employers and employed,

and consequently wages and profits may both be augmented. But if on the other hand, those commodities which the labourers chiefly purchase become more expensive, one of two things must occur. In the first place, if his wages are not advanced, the real remuneration of his labour will be diminished; all the articles which he is accustomed to purchase will have advanced in price, and he will have no more money to expend than he had formerly. Secondly, his employers may seek to compensate him by advancing his wages. But even if this were done, a heavy loss would ultimately fall upon the labourer, because it has been proved, that the employed are as much interested in the maintenance of the rate of profit as are the employers. The rate of profit will evidently decline, if it becomes necessary to increase wages, in order to compensate the labourers for an augmentation in the cost of the necessaries of life. It therefore appears that a supply of cheap food obtained either by foreign importation, or by agricultural improvements, is of vital importance to our country. Dear food would perhaps more than any other circumstance imperil our national prosperity; for if the cost of living became relatively greater in this country than in others, one of two things, each of which would be equally disastrous, would occur. In the first place, if wages

were not advanced, the condition of our labourers would deteriorate; they would thus be induced to emigrate, and we might be gradually deprived of that supply of skilled and specially trained labour, without which our wealth could not be produced. In the second place, as I have already remarked, the rate of profit in this country would decline, if wages were advanced sufficiently to compensate the labourers for the increase in the cost of living; but if the rate of profit diminished, a greater portion of our capital would be drawn from our own industry, and would be embarked in foreign investments.

As we have shown that the price of food, and of the other ordinary necessities of life is one important element in determining the real remuneration which labour obtains, it will be interesting to make a few remarks upon the future probable price of those commodities, in the purchase of which working men chiefly spend their wages. It must however be carefully borne in mind, that if we speak of food becoming dearer, we refer to an increased cost of production, and not to a change in the value of money. Thus many competent authorities have affirmed, that the recent gold discoveries in Australia and California, have already caused a marked depreciation in the value of this metal. This depreciation has been variously

estimated at between ten and thirty per cent. Let us assume it to be twenty per cent.; five sovereigns will now be worth no more than four sovereigns were worth, before the discoveries were made. The money value or price of every commodity will have advanced in a corresponding ratio. There is however no reason to suppose that the labourer would be affected by such a change in the value of money, because his wages, representing the price of labour, would increase in the same proportion as the price of commodities.

These considerations however make it difficult to decide to what extent the real wages of labour have advanced during the last few years. As it has been already stated, it is easy to show by statistics, that in almost all employments there has been a considerable increase in money wages. But if those who maintain, that gold has been depreciated twenty per cent. are correct, it is evident that a considerable rise in money wages would not necessarily indicate any increase in the real remuneration of labour. The gold question is far too intricate and complicated to be discussed here; but after a careful investigation, I certainly incline to the conclusion, that there has been a depreciation in the value of gold, although it is almost impossible to estimate its exact amount. The reason of this difficulty can be very easily explained.

Directly it is attempted to compare the present prices of commodities with their prices previous to the gold discoveries, it is found that there has not been a uniform change in price. Some commodities have increased in price much more than others, whereas the price of others has decreased. This is due to the fact that circumstances have occurred, independently of any change in the value of gold, which have tended to lessen the cost of producing some commodities, and to increase the cost of producing others. Thus, to take an example ; our commerce was released from its protective fetters just at the time when the gold deposits in Australia first became known. The market of the world became thrown open to us ; immense quantities of wheat were imported, and this importation has of course exerted an influence to reduce the price of corn. But then this question still remains unanswered, Would the price of wheat have been still lower than it is at the present time, if there had been no change in the value of gold? Again there has been a marked rise in the price of meat ; this no doubt has been partly caused by an increased demand for meat ; and this demand, in consequence of the great expense of bringing live stock from a distance, cannot be supplied by foreign importation. If therefore we wish to form a correct estimate of any change which may have

taken place in the real remuneration of labour, our only course is by a detailed examination, to ascertain whether the wages now received will obtain a greater quantity of those commodities which the labourer is accustomed to purchase.

Apart from any change in the value of the precious metals, which would alike affect the price of all commodities, it must be remembered that we have proved that the labourer must *pro tanto* suffer, if there is an increase in the cost of producing the commodities which he consumes. We have just alluded to certain circumstances which have exerted an influence upon the cost of two of the principal articles which he consumes, namely, meat and bread. We have shown that bread has been cheapened by the large importation of wheat which has resulted from free trade; this importation may be greatly augmented, since improvements in the means of communication are gradually developing the vast natural resources of many hitherto almost inaccessible regions. For instance, Lord Dalhousie stated in a minute which gave a graphic account of the remarkable deeds achieved during the period of his Indian administration, that if railways and good roads were constructed, and if the navigation of the rivers was improved, the Punjab would be able to supply England with wheat at less than twenty shillings a sack. The valley of

the Mississippi could grow sufficient wheat for the whole world. It is even found to be remunerative to send wheat from California, if it realizes twenty-five shillings a sack in the London market. It may therefore fairly be concluded, that on the average of years, the cost of wheat will not increase, although as our population advances, the demand for wheat will steadily augment. No proposition of more fundamental importance than this can be established, with regard to the future position of the British labourer. Political Economists have again and again proved, that corn and all agricultural produce will gradually become more expensive as our population increases, and that therefore the condition of the labourer gradually deteriorates as population advances. This no doubt would be true, if we were restricted to our own soil for obtaining our supplies of food, because with a larger population, there would be a greater demand for agricultural produce. This additional demand would have to be satisfied, by bringing inferior soils into cultivation, and produce would consequently be raised from it at a greater cost. This prospective augmentation of the cost of food in an advancing country, has thrown a gloom over the speculations of those Political Economists, who apparently failed to foresee the great results of Free Trade. It may now without exaggeration be said, that nothing will

exert a more powerful influence in maintaining the progressive prosperity of this country, than an importation of cheap corn, for it is thus that our population will be able to increase, without any deterioration in the condition of the labourer.

The tendency which agricultural produce has to increase in cost as population advances, is corroborated by a decided rise in the price of meat. Live stock, as we have before said, cannot without great difficulty be imported from a distance. Our own soil must therefore produce nearly all the fresh meat which we require; it may consequently be regarded as almost certain that fresh meat will continue to advance in price, although much more live stock will probably be kept on our own soil, when the English farmer who is always slow to perceive a change, is fully impressed with the fact, that wheat is likely to be always very cheap, and meat comparatively dear. When this fact is recognised, our system of agriculture will be changed; less wheat will be grown, and a greater quantity of beef and mutton will be produced.

From these considerations we may perhaps fairly conclude, that cheap corn will compensate the labourer for the increased dearness of meat. The improvements which have been effected in manufacturing industry, since the general introduction of steam, have considerably diminished the

cost of most articles of wearing apparel. Machinery is now so perfect, that we can hardly anticipate that the processes of manufacturing are likely to be considerably cheapened. There will therefore be no counteracting influence to prevent a rise in the value of manufactured goods, if raw material should become more expensive, and if the manufacturing operative should be better paid. With regard to one great branch of our industry, there seems to be every prospect that the raw material will not, at any rate for a long time to come, be so cheap as it was a few years since. Slavery has now been happily abolished in the United States. The cultivation of cotton which was carried on almost entirely by slave-labour, has received a rude shock, and many years must elapse before this industry can be restored to its former prosperity. I have however little doubt that ultimately this industry, supported as it will be by free labour, will obtain a greater prosperity than it has ever enjoyed before; the labour of the slave must be comparatively unproductive, for when a human being is degraded to the condition of a brute, he cannot possess skill, energy, prudence, or any other industrial virtue. It may however be reasonably expected, that a considerable time will be required to consummate this economic transition from slave to free labour, and during this transitional period, raw

cotton will probably be dearer than it has been in past years. There are other reasons which strengthen the opinion that cotton goods are likely to be permanently dearer than they have been. Many of the operatives who have been lately thrown out of work, have been drafted into other employments, and have settled in new localities. Many thousands have also emigrated; the cotton trade has therefore to a great extent lost its skilled and trained labour, and this will tend to increase the cost of manufacture.

With regard to other branches of manufacturing industry, there has lately been an extraordinary advance in the value of the raw material. It is of course natural that this should have occurred; the demand for wool and flax must be greatly augmented, as the supply of raw cotton becomes diminished. Other circumstances moreover will tend to increase the value of wool and flax; for considering our own country alone, the demand for woollen and linen cloth has during the last few years been greatly augmented. Between 1847 and the present time, our export trade has been nearly trebled, and in no department of industry has this growth of our foreign trade been more strikingly exhibited, than in the export of manufactured goods. I therefore think that the balance of evidence will certainly support the opinion, that

woollen, cotton, and linen cloths, are likely to become dearer.

Next to food and wearing apparel, the chief item in a working man's expenditure is his house rent. Now there can be no doubt that house rent has greatly increased during the last few years. As population advances, the demand for houses becomes greater; as towns extend, land becomes more valuable, and the space which was formerly occupied by labourers' dwellings, is gradually encroached upon by warehouses, shops, streets, &c. So much has this been the case in our large towns, that there is now a positive dearth of houses suitable to labourers; as a consequence, house rent has not only greatly advanced, but a worse evil than this has arisen, for labourers are huddled and packed together in a manner which destroys health, and which ignores the decencies of life. This evil is at the present time so glaring in London, that it has aroused the attention of the legislature; a provision has therefore been wisely enacted, that all new railways which enter the metropolis, shall be compelled to issue weekly tickets for a shilling, so that labourers who are employed in London, may be able to live at a considerable distance from the metropolis. I anticipate important results from this legislation; for it seems to remove one of the greatest difficulties which the working man has to

contend with; since at the present time, it is almost impossible for him to obtain a healthy and a comfortable house, at such a price as he can afford to pay.

I have now considered some of the chief circumstances which affect, or are likely to affect, the cost of living, so far as the working man is concerned. On such a subject I know it would be rash to make positive predictions, but I cannot help inclining to the opinion, that the labourer ought to expect, that the cost of living in this country is more likely to increase than to decrease. I state this conclusion independently of any change in the value of money; such a change need necessarily only affect those who have fixed money payments, either to make or to receive. If gold becomes depreciated, the price of labour would rise proportionately to the rise in the prices of all commodities; and this rise in money wages need not diminish the profits of the employer, because the money value of these profits would also advance proportionately to the general rise in prices. But much more serious consequences will ensue, if the commodities which the labourer consumes become more expensive to produce, and thus increase his cost of living. If this should occur, he cannot hope to be compensated for the loss which he would then suffer; for we have shown that if his

wages were advanced, his master's profits would be diminished. This diminution of profits would cause less capital to be invested in industry, and therefore in the end, a less aggregate amount would be distributed in wages.

The labourer may receive an adequate compensation for the loss which he will suffer from an increase in the cost of living, if his labour can be made more productive; for then higher wages might be paid to him, without encroaching upon the employers' profits. Let us therefore inquire, what is the prospect that industry may be rendered more efficient. I have already dwelt somewhat emphatically upon the many evils which result from the labourer having no share in the profits which are realised by his industry. I have endeavoured to show, that whilst he remains in this position, it cannot be reasonably supposed that he will work with great energy, intelligence, or care. Employers naturally complain that their labourers feel no concern about their masters' interest. I again repeat that this must always continue to be the case, whilst employers and employed are not united by any of the feelings which arise from common pecuniary interest. Every employer who has thought upon this subject will bear me out in the opinion, that it is difficult to exaggerate the loss which he suffers from his labourers' being in many

respects so inefficient. I have constantly heard employers say, that they would willingly pay a large annual sum, if they could feel sure that the labourers would do everything in their power to promote their masters' interest. This being the case, it seems to me somewhat singular that employers do not endeavour to create some common pecuniary interest between themselves and those whom they employ; for it is the absence of this which causes those evils, in regard to which complaints are so often heard. If the owner of a business feels that its success mainly depends upon the activity of some one whom he has appointed to be manager, he knows that the best plan to stimulate this manager to exert himself to the utmost, is to promise him, in addition to a fixed salary, a certain share of the aggregate profits which are realised. This plan has been constantly adopted in joint-stock companies; for it has been often proved that the prosperity of a joint-stock company chiefly depends upon its manager; in fact, wherever it has been felt to be peculiarly important that any one connected with a business should put forth all his energies and all his powers, he is encouraged to do so, by a promise of a share of the profits realised. The shipowner knows that upon the captain of a vessel, the success, or failure, of a voyage depends; he therefore encourages the

zeal or enterprise of the captain, by making him a participator in the profits which may be obtained. Why therefore should not the same principle be extended to others who are engaged in a business? Why should not the labourer, in the same way as the manager, be made more energetic, more intelligent, and more zealous, by sharing the profits which his industry yields? It may of course be argued, that the aggregate profits which the employer obtains would be diminished, if he gave his labourers a certain portion of these profits. We, however, on the contrary, maintain that the industry of the labourer would in every respect be rendered so much more efficient, and therefore so much more productive, that the employer would be far more than compensated for the portion of his profits which he might thus relinquish in favour of his labourers. I am not aware that the sharing of profits between employers and employed, which may be termed copartnership, has ever been attempted in our own country, except in the partial way to which we have already alluded, where a certain share of the profits has been occasionally given to such persons, as the manager of a joint-stock company, or a sea-captain. But in Paris, a copartnership such as we have described, has achieved the most gratifying and most encouraging results. The circumstances under which the expe-

riment was made have been often described; but they are so interesting and so instructive, that I venture briefly to repeat them once more.

M. Leclair was a house-decorator, who carried on a very large business, and employed 200 men. He, like so many other employers, found that his trade was suffering, and that he was subject to great annoyance, in consequence of the carelessness and apathy of his men. The evil had grown to such an extent, that he had resolved to relinquish his business, if some improvement could not be effected. He felt that some decided remedy was required. He therefore assembled his men, told them that they had hitherto shown no anxiety to promote his interest, and that he was desirous to create some common sympathy between them and himself, by making them, to a certain degree, participate in the profits realised. He therefore promised annually to distribute amongst his workmen, a certain portion of his aggregate profits. M. Leclair most positively affirms, that he has been, even in a pecuniary sense, abundantly recompensed for the share of the profits which he thus gave to his workmen. An entire change was produced in their conduct and in their demeanour. A certain *esprit de corps* seemed to be created amongst them, which prompted each one to exert himself to the utmost. Their work was now always well done; and it was

quite unnecessary to have anyone to overlook them.

I will allude to one other similar instance of copartnership. The Paris and Orleans Railway Company pay their *employées* the ordinary wages; but, in addition, they distribute amongst them a small portion of the aggregate profits realised. The prospect of obtaining this additional reward produces a marked effect upon the conduct of all the servants on this railway. Slight as this pecuniary incentive may be, it seems to attach them to the Company, and they consequently take a lively interest in everything which may tend to promote its prosperity.

I believe that the most beneficial results would follow, if this system of copartnership was more largely introduced into English industry. It has been repeatedly stated that an advance of wages, which diminishes the profits of the employer, cannot be permanently beneficial to the labourer, because when profits are decreased, there is a smaller inducement to invest capital in industry, and the wage-fund will consequently be diminished. But if labour can be rendered more productive, there would then be a greater amount to distribute amongst both the employers and the employed, and the profits of the employer and the real remuneration of the labourer may both increase.

I do not know any circumstance which would more increase the productiveness of British industry, than if the labourer could be cured of those defects, which are no doubt due to the present complete antagonism of interests between the employers and the employed. How can work be efficiently done, when those whose joint and united efforts are essential, do not labour in cordial unison, but are divided into opposing sections, and are kept asunder by many of those petty feelings which are engendered in those who higgles over a hard-fought bargain? The ordinary objection may be urged, for it will probably be said that such copartnership as we have advocated will never succeed in practice. To such an argument, the only reply that we need make is, that the success of M. Leclaire's experiment, favoured by no special circumstances, may be regarded as conclusive; moreover, I can say, with some confidence, that it is impossible to mention any instance where copartnership has been attempted, and has failed to produce the results which we have attributed to it*.

* I have lately received intelligence of some most interesting experiments, based upon the principle of copartnership. I am rejoiced to find that these copartnerships between employers and employed, are being much more rapidly and extensively introduced in our own country, than could have been anticipated from our *a priori* reasoning. The proprietors of some of our largest commercial concerns

We will now proceed to consider what is the effect of many of those expedients for raising

are changing their establishments into joint-stock companies ; they retain the largest portion of the shares in their own possession, and the remaining shares are then offered to those who are employed either as managers, foremen or workmen. The Messrs Crossley of Halifax, Yorkshire, are the owners of probably the largest carpet manufactory in the world. They propose to change their vast establishment into a joint-stock company, the capital of which will be £1,650,000. The Messrs Crossley retain in their own possession shares which represent four-fifths of this capital, the remaining shares they offer to the 4,400 workmen whom they employ ; every labourer will thus have an opportunity of becoming a partner. In order still further to explain some of the plans of copartnership, which are proposed to be adopted, we will briefly describe a scheme which has been most admirably devised by the Messrs Briggs, who are large coal proprietors at Methley, near Leeds. They propose to dispose of their coal mines to a joint-stock company, the capital of which, £135,000, is raised by 9000 shares of £15 each. The Messrs Briggs will retain two-thirds of the whole number of shares, and the remaining one-third will be first offered to those who are employed at the mines. The workmen will be able to have on the directory some of their own body to represent them. It is further proposed that if the profits should exceed 10 per cent. after setting aside a fair amount to reimburse capital, one-half the remaining surplus profits shall be distributed amongst the labourers, and that each individual share of this bonus should be proportional to the aggregate wages which he has earned. A most satisfactory cooperation between capital and labour will thus be secured. The Messrs Briggs, who may be regarded as men of great experience, affirm that the plan, even as a commercial experiment, is likely to prove eminently successful. They say with great truth, that labourers who own capital, and who participate in the profits realised, will never resort to strikes, and those unfortunate disputes which have recurred with such disastrous frequency in the coal trade will thus be prevented.

wages, which are most favoured by the labourers. I need hardly mention, that in discussing this part of the subject, I must chiefly direct your attention to the consideration of Strikes and Trades Unions. I feel that I am now approaching questions which excite angry passions and bitter antipathies; there is therefore no subject which it is more essential to treat with strict impartiality; it is moreover, one of vast importance. A strike always exhibits a dogged determination, which seems to show that the combatants feel as if they were engaged in a struggle for life or death. On the one hand, employers believe that if they tamely submit to the dictation which a strike implies, a fatal blow will have been struck at the prosperity of the capitalist class; on the other hand, the employed show an equal steadfastness of faith that strikes are necessary, in order to secure to them a proper remuneration for their labour. They embark on

Messrs Briggs also state, that labour in a coal mine can never be properly superintended; the portion of profits which may be distributed as a bonus amongst the labourers will stimulate their energy, and their industry will thus become more efficient.

There is one other example which I cannot refrain from mentioning. I have lately seen it reported, that the proprietors of the *Daily News* have just signalled the conclusion of a prosperous year, by distributing a portion of the profits realised, amongst those who are employed on this journal. Experience justifies a confident hope, that such wise liberality will be abundantly rewarded.

a strike, fully aware of the terrible cost it may entail upon them, but they seem fully prepared to endure the sacrifice and to bear the suffering, in order to maintain a principle which they think is essential to their welfare.

CHAPTER V.

Trades Unions and Strikes.

IN my previous remarks, I have endeavoured to make you distinctly perceive that wages are regulated by demand and supply. The employers and employed are just as much parties to a bargain, as are the buyers and the sellers of any commodity. It therefore seems to me that the one fundamental question to be decided with regard to strikes, is simply this: Is the combination which a Strike implies necessary, in order that the labourer may have the same chance of selling his labour dearly as the master has of buying this labour cheaply? If it can be proved that without strikes the working man would not be able to obtain the best price for his labour, I think strikes at once become justifiable. If, on the other hand, it can be proved that as high wages would be paid if strikes were never resorted to, the conclusion cannot then be resisted that a strike is an unmitigated evil.

I have stated the issue to be determined in as simple language as possible, because the discussion of this subject is often confused by the introduction of many collateral topics. Thus most people decide beforehand, that a strike implies everything that is bad, because they assume that a strike is never carried on, without resorting to physical violence and unjustifiable coercion. I am quite prepared to admit that the leaders of a strike have not unfrequently been guilty of gross cruelty and injustice towards those who refuse to join the combination. The builders' operatives of London who struck for higher wages in 1860, often attempted to use physical force against those who wished to continue working. In Sheffield, trade outrages have often assumed the form of dastardly murders, and explosive bombs have been cast into the houses of those who refused to submit to some regulation, which a section of some of their fellow working men were anxious to enforce. But such acts as these cannot fairly be regarded as the inevitable consequences of combinations being formed amongst working men; these acts of violence are illegal, and those who commit them ought to receive the most severe punishment the law can inflict. But experience has shown that the largest combinations of working men have often been formed without the slightest coercion

of individuals, and without doing anything which even bore the semblance of illegality. In order to corroborate this opinion, I would particularly refer to the great Preston Strike of 1854. Seventeen thousand cotton operatives then struck for an advance of 10 per cent. in their wages; not one single individual was coerced to join this strike; the vast combination was the result of a voluntary effort. The strike continued during thirty-six weeks. The rigour of a severe winter increased the hardships that were endured. No complaints were heard, no violence was attempted, but these poor creatures bore their sufferings with a calm resignation, and with a noble heroism, which even those who were bitterly opposed to strikes confessed were worthy of a better cause. Numerous other examples could be quoted, which would still further corroborate the opinion, that a strike has often been simply a peaceful and voluntary combination, and when such is the case, no one can pretend that working men have not a clear and undoubted right to join a strike. Individual freedom would cease to exist, if every man had not the most complete liberty to decide whether he should or should not work for the wages which were offered to him. For similar reasons, a number of working men have an indisputable right to join in an unanimous determina-

tion not to work for the wages which are offered to them.

If the manufacturers in any particular district believed that they were selling their goods too cheaply, no one could blame them, if they agreed amongst themselves not to sell any more goods until the price advanced. These manufacturers would however act very foolishly, if in the end they should discover that the price which they had declined was the full price, and that consequently no higher price could be secured after a heavy loss had been incurred by withholding their goods from sale, perhaps for many months. Since the manufacturers have a perfect right to do what they like with their goods, those whom they employ have an equal right not to sell their labour, if they think it realises too small a price. The goods which the manufacturers keep unsold, represent so much capital remaining idle, but they suppose that the increase of price which will ultimately be secured, will compensate them for the profit which this capital would have yielded if productively employed. In the same way, the labourers suppose that an ultimate advance in wages will recompense them for the loss of wages which they suffer during the time they are on strike. I have already said that the manufacturers would do a very foolish thing if they acted upon wrong calculations,

and were unable at last to obtain a higher price for the goods which they wished to sell. The labourers would exhibit equal folly if they made wrong calculations, and were thus unable in the end to secure an advance in wages; for they would have suffered great pecuniary loss, and would have probably endured much physical hardship, without achieving the slightest compensating advantage. The points therefore which we must decide are these: Can a strike ever exert any influence in advancing wages? If not, a strike must be condemned as a most pernicious economic fallacy. If, on the other hand, it can be proved that in certain circumstances a strike may succeed in raising wages, we must carefully inquire what these circumstances are, in order to establish some principles to guide the labourers.

In attempting to supply an answer to the first of these two questions, it is necessary to revert briefly to the circumstances which determine the amount of wages received by any class of labourers. It has already been remarked that with regard to each separate industry, there is at any time a certain rate of profit, and also a certain rate of wages, which may be regarded as the natural rate. Thus one branch of industry may involve a greater risk than another, and therefore on the average of years, a larger rate of profit must be

realised, in order that a compensation may be obtained for the additional risk incurred. Again, some classes of labourers always receive higher wages than others. For instance, some employment may require particular skill; some workmen are only employed a part of the year; some kinds of labour are more dangerous and unhealthy than others; these and various other circumstances which have been enumerated in a previous lecture, cause permanently different rates of wages to prevail in different employments.

I think it will be admitted, that neither the employers nor the employed can have any just ground of complaint, if in the particular industry in which they are jointly engaged, the natural rate of profit, as well as the natural rate of wages are both secured; for this result can be only brought about when the law of demand and supply has had free and unrestrained operation. Let us as an example suppose, that in the cotton trade at some particular time, a profit of fifteen per cent. upon the aggregate capital invested, represents the natural rate of profit, and that twenty shillings a week paid to the able-bodied spinner represents the natural rate of wages. It is easy to show that as long as this industry remains in the position just described, it would be vain to attempt to raise wages by any combination; for if wages were

raised, the profits of the employer would be diminished; and I have assumed that he was previously obtaining just the requisite amount of profit to remunerate him for interest, for labour of superintendence, and for risk against loss; if therefore his profits were diminished, he would be placed in an unfavourable position compared with other employers, and capital would consequently be gradually withdrawn from this particular industry, and therefore a smaller amount would be distributed in wages. Hence it appears that any attempt to raise wages by diminishing profits below the natural rate cannot be successful, and will most probably cause a very serious permanent injury to the labourers. For employers who withdraw capital from their business, because their profits are unduly depressed by an unnatural rise in wages, may not again invest this capital, and thus the prosperity of the particular industry may be permanently diminished. I think therefore it has been conclusively proved, that when a trade is in a steady condition, or in other words, when both the natural rate of profit is realised, and the natural rate of wages is obtained, any attempt to raise wages must be either futile, or will in all probability be very injurious to the labourers themselves. When the truth of this last proposition has been admitted, writers on strikes

usually argue in the following way. They say, and no doubt with perfect truth, that there is a tendency constantly in operation to bring each trade into a state which we have described as steady; for profits and wages are constantly approximating towards the natural rate. These writers then not unfrequently assume, that a principle has been enunciated, from which it can be at once demonstrated that a strike can never exert any effect in raising wages. They seek to substantiate this opinion by adopting the following line of argument. If wages cannot be raised above their natural rate without diminishing profits below their natural rate, and if profits and wages in every branch of industry are constantly approximating towards the natural rate, it follows as a necessary inference that a strike cannot raise wages, because the rise in wages would imply a reduction of profits below the natural rate; this is a result which has been proved to be unattainable.

The above reasoning, though apparently so plausible, involves an important fallacy. The argument would be conclusive, if profits and wages in any employment were always exactly at the natural rate. But it has only been affirmed that profits and wages are constantly approximating to their natural rate. The force of gravity never ceases to exert a tendency to restore the moving

pendulum to a position of equilibrium. The pendulum may however be acted on by disturbing forces, which may cause it to deviate greatly from this position of equilibrium. In a similar way, demand and supply may be regarded as a force which is constantly tending to make wages and profits attain a natural rate; disturbing causes may however temporarily produce a great divergence from this natural rate, and we must therefore enquire whether during the period that is required to restore the wages and profits of any industry to their natural rate, such a combination as a strike implies, can succeed in securing a higher remuneration for the labourer.

Reverting to the illustration already given, we will assume that the cotton trade has been for some time in a steady state; the profits of the employer are 15 per cent., and wages are so adjusted that the able-bodied spinner receives one pound a week. Both the employers and the employed are satisfied, since each party to the bargain obtains exactly what is his due. Let it now however be supposed that this trade becomes suddenly extremely prosperous. Some foreign country may perhaps have repealed a prohibitory tariff; a new market for cotton goods may be thus created; the demand for these goods will consequently be increased, and their price will

rapidly advance. Under such circumstances, the profits of the employer may at once be even doubled or trebled. The employers can therefore now afford to pay higher wages, and the question arises, Will the labourer by entering into a combination secure a larger portion of the additional profits, which his master obtains in periods of active trade? Various arguments may be advanced on each side of the question; I will proceed to state them as briefly and as candidly as I can. On the one hand it may no doubt be urged, that wages are always regulated by demand and supply, and that therefore it must be futile to endeavour to increase them beyond the point which would be attained by the natural operation of demand and supply. In support of this opinion, experience may be appealed to, in order to show that when any particular branch of industry becomes extremely profitable, those engaged in it are sure to receive higher wages. For instance, during the two or three years which preceded the Civil War in America, the cotton trade of Lancashire was in a state of unprecedented prosperity. The profits were so immense, that large fortunes were rapidly accumulated by the manufacturers. It is however well known that the operatives participated in this prosperity, and that much greater wages were paid to them than they had

ever before been accustomed to receive. During this period, no rumour of a strike was ever heard; and it may therefore be thought to be conclusively proved, that a strike can exert no influence in advancing wages during periods of active trade. But before we accept this conclusion, let us consider what really occurs under the circumstances supposed. It is too often forgotten that those who are engaged as employers in any particular business, virtually form themselves in each district into a combination, for the express purpose of regulating wages. Go to Manchester, Halifax, Bradford, or Belfast, and you will find in each of these towns, the operatives are paid for the work done, according to a uniform scale of remuneration. You may often have observed in the public prints, that the cotton manufacturers have held a meeting in Manchester, and have unanimously agreed to a certain alteration in wages; and every employer in the district at once adopts either the reduction or the advance, which has been agreed upon at this meeting. The same thing occurs in other branches of industry. The proprietors of collieries hold a meeting, at which they decide to alter the wages they shall pay, and the alteration is immediately accepted by every colliery owner in the district. Sometimes the same object is not less effectually attained, although the combination does not take

the significant form of a public meeting. Thus the same kind of agricultural work may be very differently remunerated in Yorkshire and Dorsetshire; but in the same locality, and within a certain area a uniform rate of agricultural wages almost invariably prevails. Farmers when they meet at market talk over what they shall pay for particular kinds of work, and you will find that a certain fixed price is at length agreed upon for reaping, mowing, hoeing, &c. We must therefore consider whether the labourers who may be regarded as one party to a bargain, can safely trust the terms of this bargain to a combination of employers. I believe it can be easily shewn that the labourer is placed at a disadvantage, if he attempts simply as an individual to arrange this bargain, and I further believe that labourers must show that they have the power of combining, in order at all times to be able to sell their labour on the best possible terms.

With the view of substantiating the opinion which has just been expressed, I will suppose that there has been a marked improvement in the cotton trade; the profits of the manufacturers are greatly increased; they consequently agree to make a general advance in wages of 10 per cent. Those whom they employ may feel that this advance is not sufficient, and that their masters from their

additional profits could well afford to make an advance in wages of 20 per cent. Operatives in their individual capacity express their dissatisfaction. *A*, *B*, or *C* may go to his employer and say, I think you are not paying me sufficient wages. The employer replies, that he and his brother manufacturers have unanimously decided what wages they shall pay, and if any of their workmen are not contented with the remuneration that is offered to them, they are of course at perfect liberty to discontinue working. The operative knows that further contention is useless; his master will not be induced to swerve from his determination by an isolated protest, and therefore the operative is compelled to accept what is offered to him, or else to relinquish his employment, because since wages are fixed on a uniform scale, it is vain for him to expect to obtain more from any other manufacturer. But let us see how the case would be altered, if the workmen formed themselves into a great combination and adopted united action. It was plainly proved by the Preston strike, that such a combination can be formed; for then, all the operatives in a large district were unanimous in their determination not to work, unless their wages were advanced 10 per cent., and this resolution was unwaveringly adhered to during thirty-six weeks. When such a combina-

tion is formed, the leaders of the movement would no longer speak to their employers as individuals, representing no authority, and therefore possessing no power, but they would then express the fixed resolve of combined thousands. They might then say to their employers, We place two alternatives before you; you must either accept our demands, or you will be left without labour, and your mills will be for a long time closed. If the employers felt that they could afford to yield that which was asked, it would be in all probability granted, rather than incur the loss of being compelled temporarily to discontinue their business. Each party in the dispute of course ought to feel, that the contest on which they were embarked, involved the most serious consequences. The employers if they were compelled to suspend their business would have an immense amount of capital which before was highly remunerative, at once made unproductive. On the other hand, the employed would if their demands were refused be deprived of their daily subsistence, and in order to support themselves when thrown out of work, they would be obliged to spend those savings which had required years to accumulate. We are free to confess that these melancholy results have accompanied every strike. The losses which have been inflicted upon the employer have often seriously diminished his

capital, and his capital forms the fund from which wages are supplied. The employed moreover have not only spent their own savings, but have drawn largely from their fellow workmen in other parts of the country ; and those who, when in receipt of their ordinary wages are accustomed to live in comparative comfort, have been often compelled to endure the greatest privations. During the Preston strike, the operatives were reduced almost to a state of starvation, and they no doubt suffered the most terrible hardships.

It might seem, that if these are the sad results of a strike, all combinations on the part of the employed ought to be condemned, although an occasional advance in wages may be obtained from such combinations. I know that upon such considerations the question is usually decided. It is said that the workmen are almost always unsuccessful in their strikes, and that this will continue to be the case, because the employers, although their capital remains idle, do not really suffer a tithe part as many privations as must be borne by the employed when they are thrown out of work. In order still further to prove that a strike never ought to be resorted to, a comparison is made between those strikes in which the workmen have failed, and those in which they have succeeded, and it is shown that a heavy

aggregate loss is on the side of the workmen. I am fully prepared to admit that this loss is really much greater than it is usually represented to be; the labourers not only lose the wages which they would receive if they were at work, but as we have before said, the great cost which a strike-entails upon the master, also ultimately falls to a certain extent upon the labourer; because it diminishes the capital from which the wages of the labourers are paid. It seems to me however that a calculation of the outlay which strikes necessitate, affords no assistance in determining the real influence which they exert upon the condition of the labourer. Costly armaments are maintained in order to give security to life and property, and it would be a fallacious argument to say, that the millions which our army and navy annually cost represent a useless expenditure; they are useful because it is owing to them that no foreign power dares to make a hostile attack against us. When we once embark in war, the most complete triumph will give no immediate pecuniary compensation for the immense expenditure which the contest has required. The chief reward which a nation obtains from carrying on a just and successful war, arises from the circumstance that peace is in future more effectually secured, for foreign nations are made

to understand the power which will be brought against them, if they do any international wrong either towards life or property. In a similar way, I think it can be shown that a strike, although its immediate consequences may be terrible, yet may exert a powerful influence to place the future relations between employers and employed on a more peaceful and a more satisfactory basis.

As an example, the great Preston Strike of 1854, unmistakably demonstrated to the masters, that the employed possess so complete a power of combination, that all the operatives in a large district can for many weeks keep firmly to the resolution, that they will refuse to work unless certain conditions are granted. If therefore, the masters can really afford to do what is asked of them, I think that they are more likely to grant the concession, when they know what sad disasters a refusal would bring, both to themselves and to the employed. I have been assured by one of the prominent leaders of this strike, that since this great contest has been fought, everything has gone on most comfortably between the employers and the employed. Each party feels what the other will do as a last resource; the operatives every year becoming more intelligent by improved education, carefully watch the price of the raw material and the price of manufactured goods, and are thus enabled to form an

accurate estimate of their masters' profits. The employers assume that the employed possess this knowledge. When trade is good and profits increase, a fair and reasonable advance in wages is immediately made, and joyfully accepted; when trade is bad and profits decline, wages are reduced; the reduction is looked upon as necessary, and is therefore borne without murmur or complaint. In times gone by, the relations between employers and employed were perhaps more unsatisfactory in the cotton trade than in any other industry. A feeling of rancour and distrust existed between masters and men, dastardly acts of violence were sometimes resorted to, and a feeling of revenge not unfrequently prompted the destruction of the employers' property. But the Preston Strike of 1854 was a great struggle, which taught each party in the conflict the other's power, and in this way peace seems for the future to have been effectually secured; for since that time, although the cotton trade has been characterised by the greatest prosperity, and by an unprecedented adversity, yet there has been no rumour of a strike; there scarcely appears to have been even the semblance of a dispute between masters and men. In 1858—9, when the masters were realising enormous gains, wages were advanced, and the operatives were satisfied with the additional remuneration which was

thus offered to them. When the Civil War commenced in America, the customary supply of raw cotton was so much diminished, that the whole trade was completely paralysed; wages were reduced, and manufactories were closed. A vast multitude were thrown out of work; and those men who before were comparatively affluent were suddenly reduced to a state of abject misery; their savings, which had been accumulated by a life's toil, were soon exhausted, and the charity of the whole nation had to be appealed to, in order to keep them from starvation. But these sufferings, terrible as they were, were borne with a calm resignation, and with a noble heroism, which has made those who perhaps suspected the political and social aspirations of our working men, anticipate a glorious future for our country.

Briefly summarising the opinions which I have expressed on the subject, I think that the labourers by showing that they have the power of forming combinations, place themselves in a position which enables them to obtain the best price for their labour. When employers recognise the existence of this power of combination, they will be careful to advance their wages immediately they can afford to do so; and they will not reduce wages, until bad trade compels them to take this step. The advantage which the labourers might thus obtain

would, I conceive, be most dearly purchased, if it was necessary frequently to resort to strikes, in order to exhibit this power of combination. I have, however, adduced the Preston Strike, as a proof that a strike on a large scale, soon causes this power of combination to be generally recognised, and therefore a strike may be conceived as a temporary evil, because it seems to create a guarantee against its future recurrence. I am however free to confess that the leaders of a strike, in assuming an attitude of hostility to their employers, are usually misled by the most pernicious economic fallacies. They talk wildly about the oppression of capital, and the tyranny of competition; but let us not deal too harshly with them; if we think they are wrong, let us try calmly to reason with them, and to teach them the truth; for we must remember that those who were the most educated, and those who were supposed to be the most intelligent amongst us, have professed their belief in economic fallacies as glaring and perhaps more mischievous than any which have been uttered by an agitator for a strike. Not twenty years since, some of the most intellectual men in this country, our greatest statesmen, our leading writers, thought that our national industry could not exist, unless it was defended by a protective tariff. The advantages of Free Trade are now so generally admitted that at

the present time a protectionist would be laughed to scorn. In a similar way, working men are gradually becoming more enlightened on economic questions. The day is not perhaps far distant, when they will indulge in no more rash talk against capital and competition. We may hope that they will soon understand, that capital is the fund from which the wages are paid, and that they are therefore benefited by any circumstance which tends to increase capital. Moreover, competition does not reduce wages; for when competition is active, employers compete as actively for labour, as labourers compete for work, and thus each individual is more likely to sell his labour for exactly what it is worth.

It has been already stated, that in the great majority of strikes, the workmen have failed to secure the object which they sought. The cause of their failure is, no doubt, often due to the superior strength which the employers in such a conflict possess, on account of their greater resources. Wealthy manufacturers incur a heavy loss, if they are compelled to close their mills during many weeks; but the loss which is thus inflicted upon them, bears no comparison with the sufferings which the labourers are obliged to endure. It may therefore be reasonably supposed, that in so unequal a conflict, victory is most frequently with the strong.

But the labourers cannot attribute the repeated failure of their strikes solely to the inferiority of their resources. The erroneous opinions which they entertain concerning the causes which regulate wages, often induce them to commence a strike, in order to obtain an object, which neither in justice nor reason, the employers can be expected to grant. When a strike is commenced, the labourers do not usually stay to inquire whether their employers can afford to grant what is demanded from them; but the language which is ordinarily employed on these occasions is, that it is unjust that wages should be reduced, or that the same wages ought to be paid for a smaller number of hours of work. It should be borne in mind, that it implies a fundamental misconception to speak of wages being just or unjust; it would be not less idle to speak of the justice or injustice of a particular price being charged for bread; if bread is made dear by artificial restrictions, then it is right that these restrictions should be repealed; but when the dearness is due to a natural scarcity of corn, we must endeavour to remedy the evil by making corn more plentiful. In the same way if wages are reduced, because the profits of the employer are diminishing, or because the supply of labour is increasing; it is no use talking about justice or injustice, for the evil can be cured only

by improving the trade, or by diminishing the supply of labour. It is most important that the labourers should never lose sight of the great truth, that wages are not controlled by abstract justice; but wages are regulated by causes, which are as certain in their operation, as are the physical forces which govern nature. If labourers more generally understood these economic truths, strikes would not be so frequently resorted to, in order to obtain what the labourers have no valid reason to claim. I have already admitted their undoubted right fairly to participate in the additional profits which their employers might obtain; they are also clearly justified in resisting a reduction of wages, if they believe that there is no decline in profits to warrant labour being worse remunerated. We have however again and again insisted, that the remuneration of the labourer is ultimately regulated by demand and supply; and that a tendency exists, although time may be required to complete its operation, to make the wages and profits of every employment approximate to the natural rate. It may therefore be always reasonably concluded, that both the natural rate of wages, and also the natural rate of profit prevail in a trade, if for some time nothing has occurred to produce any sudden variation in the returns realised from it.

Let us suppose that some particular employ-

ment, say the building trade, is in this position; and that those who are employed in it suddenly become impressed with the conviction, that they are working too many hours for the wages which they receive. This was the point at issue in the late great strike* amongst the building operatives of London. I refer to this strike, because it happened that for a time, I was somewhat intimately connected with the operatives, who were deputed by their fellow-workmen to be their leaders and their spokesmen. It is hardly necessary to remind you, that almost all our leading newspapers at once assumed, that the operatives were entirely in error. The leaders of the strike were denounced day after day in the most violent terms, for their ignorance of the first principles of economic science; and the general body of the supporters of the strike were commiserated as being poor deluded creatures, who were influenced by designing agitators. I recalled to mind, that we in the middle and upper classes have often professed opinions, which showed a complete ignorance of the principles of economic science. I therefore thought it was unfair to blame those for their want of knowledge, who have much less time for study than ourselves. It seemed to me to be our duty to

* This strike occurred in the early spring of 1860.

endeavour to instruct, rather than to blame. I therefore ventured to ask the men who were on strike to meet me in a large public room in London, and I told them that I would try to place the question before them in its true economic aspects. When addressing them on the subject, I was scrupulously careful, to point out to them how extremely fallacious were many of the opinions which they expressed. Although I attacked many of their most fondly cherished prejudices, yet their demeanour indicated, that they were sincerely desirous to be instructed. The point which I chiefly endeavoured to urge upon them was this, You demand the same wages for less work ; you have no right to make this demand, unless you can show, that circumstances have recently occurred to increase your masters' profits ; for unless a trade is suddenly improved by exceptional causes, the competition of capital insures that the profits realized shall closely approximate, to what has been described as the natural rate. If you compel your employers to reduce their profits below this natural rate, by increasing your wages, you will be really doing yourselves far more harm than good ; for capital is withdrawn from a business when it does not realise the ordinary rate of profit, and you will attract more labourers to your trade, if you create an artificial advance in your wages. You may there-

fore bring into operation two circumstances which will ultimately injure you ; because, in the first place, you may diminish the capital which forms the fund which is distributed in wages amongst you ; and, in the second place, you may increase the number of those, amongst whom this fund is to be distributed. I therefore urge you, for your own sakes, not to act in this matter without calm reflection. It would no doubt be a happy circumstance if your hours of toil could be shortened. The marvellous increase in the production of national wealth, cannot be a subject for much congratulation, until it can be shown that this greater wealth is so distributed, that the labourer can more frequently cease from his toil either to enjoy the pleasures of mind, or to admire the glories which a bounteous nature has spread around him. But anxious as we may be to see the hours of toil shortened, yet we must remember that the remuneration of labour is regulated by certain definite causes. If labour is made more efficient, masters and men may both receive a greater reward. But if the employed attempt to augment their own gains by unduly reducing the profits of their employers, capital will be withdrawn from business, and a source of employment may be thus permanently closed. The builders' strike may be regarded as suggesting one happy omen, for it

seems to indicate, that the labourers will henceforth be anxious to appropriate each advance of wages to a reduction of the hours of their daily toil.

I have already remarked, that people generally suppose that unmixed harm must always result from a strike. When considering such a subject, I often call to mind the words of our great poet, who says,

There is a soul of goodness in things evil,
Would men observingly distil it out.

If there is any truth in the views which I have expressed, it is not difficult to see that there is a "soul of goodness" beneath all the rancour and the suffering which are the usual concomitants of a strike. I have striven to show that, when working men possess the power of combined action, they participate more readily and more certainly in the prosperity and adversity of the particular industry, in which they may happen to be employed. If profits increase, an advance of wages is at once insured to them; and if profits are depressed below the ordinary rate, they will recognise the necessity of immediately submitting to a reduction in their wages. But if these are the relations which are made to subsist between employers and employed, is there not a copartnership created between them?

for when there is a copartnership, the aggregate remuneration received by the labourer depends partly upon the profits which his master obtains. The great defect in our present national economy arises from the fact, that between employers and employed there is no common pecuniary interest; an antagonism of feeling is thus often engendered; they strive against each other like hostile parties, higgling over a bargain. The efficiency of our industry is thus most seriously impeded, because capital and labour ought cordially to cooperate upon the work, which cannot be accomplished without their united action. It is evident that this serious defect in our national economy would be to a great extent remedied, if copartnerships between employers and employed were more frequent. I therefore think it has been shown, that strikes have at least one happy and beneficial tendency, because since they make labourers participate in the prosperity and adversity of the capitalist, they must also tend to create a copartnership between masters and men. Important as may be the good which would be thus effected, other results might ultimately follow, of still higher consequence to the wellbeing of our labouring population. Such a copartnership as has been here described, would so train and educate the labourers, as to enable them with a certainty of

success to conduct Cooperative Trading Societies. A copartnership would make the labourers more intimately acquainted with the management of a business; they would gradually learn to understand the various circumstances which contribute to make any industry successful; they would have practically taught to them the various functions which capital performs; they would soon see how essential it was that the managers of each department should be able men, and that implicit obedience should be paid to their authority. It would also soon be discovered, that in almost every branch of industry there are great fluctuations in the returns; good years in which large profits are realised being often succeeded by bad years, in which scarcely any profit is obtained. These truths must be known by the labourers, before cooperation, applied to trade, can achieve any general success.

You will observe that the title given to this lecture is, "The Influence exerted by Trades Unions and Strikes." As yet little has been said about Trades Unions, but as the two subjects have been grouped together, I must try to explain to you whether or not, there is any necessary connection between a Trades Union and a Strike. A trades union, as its name implies, is a society composed of working men; and each of these societies com-

prises only those who are employed in some particular business, or in some special department of the business. Thus masons, carpenters, hatters, gas-fitters, in fact, almost every class of labourers, have their own trades union. It often happens that in the case of a restricted branch of industry, such as wool-sorting, all those who are employed in it, in different parts of the country, belong to one central society, the management of which is in London. But when the industry is more extensive, numbers of these societies are established in different parts of the country. For instance, the masons in almost every large town have a trades union of their own, which as far as management is concerned, is independent of any central authority. A certain correspondence is kept up between these different societies, and occasionally they may consult together as to the course of action which ought to be adopted in certain junctures. But the masons who belong to a trades union at Plymouth would not consider themselves to be in the least degree bound to demand higher wages, although the masons of a trades union in Glasgow, in order to obtain this object may consider themselves justified, in resorting to a strike. There always exists a certain feeling of sympathy between the workmen in the same employment who happen to belong to a

trade society; and if, for instance, the masons who were union-men happened to be on strike in one locality, their fellow unionists in other parts of the country would almost feel it their duty to assist them by subscriptions. The trades unionists in other employments frequently support those who are on strike. It has, for instance, been calculated, that no less a sum than £20,000 was sent by working men to the Preston operatives who were engaged in the great strike of 1854.

Trades Unions are almost invariably denounced, because it is erroneously supposed, that the only object they seek to attain is to supply an organization which will enable labourers to enter into combinations. It should be remembered that some of the most important functions which these societies perform, are either prudential or charitable. Thus each member of a trades union subscribes so much a week to a common fund, and in return for this, an amount is each week paid to him if he is thrown out of employment, either by dullness of trade, or by illness. When the member of a trade society dies, his family often receives a certain sum to defray the cost of the funeral, and to cover other expenses which may have been incurred during his illness. Hence a trades union effects all the objects which are sought to be obtained by friendly societies. Such societies when well man-

aged, are regarded as most excellent institutions ; and, as a general rule, the funds of a trades union are administered with strict integrity. But to the Political Economist the most curious and most important point to be considered in connection with trades unions, is the effect which is exerted upon industry by the rules which these societies enforce upon their members. Some of these rules may be regarded simply as trade regulations. Thus it sometimes happens, that a member of a trades union is not permitted to take more than a certain number of apprentices, and only one of his own sons can be apprenticed to the trade. In some cases the members of these societies are obliged to do their work in a particular way. Thus it was alleged by the employers, although it was denied by the men, that the bricklayers were ordered by their unions to adopt a certain method in laying their bricks, whereas, if they had been laid in a different manner the work would have been more quickly and better done. Again, it has frequently happened, that the members of these societies will not continue to work if a certain machine is used, the employment of which they erroneously suppose will be detrimental to the labourer. Before we inquire into the policy or impolicy, and into the justice or injustice of these rules, we will consider how the power is

obtained, which gives these rules their authority. In some branches of industry the trades unions, so far as the labourers are concerned, are omnipotent. I believe there is not a single person employed in the wool-stapling business who is not a Union man. When a trades union is in this position it is not difficult to maintain its authority. The majority becomes supreme, for if any master employed a non-union man, all his other workmen who belonged to the union would immediately refuse to remain in his employment. Hence this question arises, Are the labourers justified in pursuing this course of conduct, and are they really benefited by it? They do nothing illegal as long as they refrain from all acts of physical violence. Sometimes however they endeavour forcibly to coerce those who will not join their union; sometimes also, they destroy the property of those who insist on employing non-union men. But in these instances, an offence is committed, which we should all hope to see punished with the utmost rigour of the law. For such social tyranny exercised by the majority over the minority ought to be regarded as one of the most detestable kinds of oppression. It must however be acknowledged that such offences, which are now known as trade outrages, are confined to a few localities, and that those who perpetrate them are vehe-

mently denounced by the general body of trades unionists. Sheffield has obtained an unenviable notoriety for the dreadful trade outrages which have been committed in that town. It has more than once happened that a file grinder, because he refused to join the union, has had a destructive bomb thrown into his house, or has had his grinding machine filled with some explosive material, the explosion of which will endanger his life. This abominable tyranny has become almost unbearable, and if it is continued, Sheffield may not improbably lose some of its most important manufactures. Large steel works have already been established at Manchester, and it has been stated that Manchester was selected, in preference to Sheffield, in consequence of trade outrages being so prevalent at the latter place.

I have already said, that trades unionists rarely do any act which can be regarded as illegal; but they maintain and exercise their authority, by exerting an influence which often bears too much the character of social oppression. Those who refuse to join the union are subject to a great variety of petty annoyances and slights, which, though difficult to describe, yet may make a life very miserable. You can best conceive what has to be borne, by imagining what a barrister would suffer, if he should do anything which his fellow-barristers

might consider as unprofessional. He would not be permitted to dine at the bar mess; some of the leading members of the bar would perhaps refuse to hold briefs with him; and by resorting to these forms of social punishment, the bar is enabled to enforce as much obedience to their rules, as if these rules had a legal sanction. It is curious to remark, that the rules to which the members of trades unions are bound to pay obedience, are, in many respects, similar to those which regulate the conduct of the members of the legal profession. Thus, a barrister is not permitted to appear in court for less than a certain fee; and a trade unionist is not permitted to do a particular kind of work, unless he receives a certain remuneration. Again, no attorney can have more than two articulated pupils. It may, on the one hand, be maintained that such a restriction is necessary, in order that every member of the profession may be properly taught; but, on the other hand, it may with some reason be urged that the real object of such a restriction is to limit competition, with the view of augmenting the gains of those engaged in the profession. In a similar way, it is a rule of many trades unions, that no workman should have under him at the same time more than a fixed number of apprentices; and in some employments, such as the wool trade, it is ordered by the rules of the union, that a workman

should not bring up more than one son to his own trade. The workmen, in the same way as the lawyers, defend these regulations by maintaining that they are necessary in order to secure the efficiency of labour; for if the number of apprentices was not limited, labour would not be properly trained, work would be badly done, and thus the permanent prosperity of the industry might be jeopardised. Others may fairly take a different view, and may think that the real object sought to be obtained by limiting the number of apprentices is to restrict competition, and thus artificially raise the rate of wages by diminishing the supply of labour.

Any number of individuals, as long as they do not interfere with the perfect freedom of action of others, have an undoubted right to agree amongst themselves to be bound by a common code of laws. But I would earnestly ask the workmen calmly to consider, whether they are really doing justice to themselves, and whether they gain any sufficient advantage in sacrificing so much of their individuality. It certainly seems wrong, that a father should not be freely permitted to train his son to that particular employment, which his natural endowments may best qualify him to follow. A man would feel in after life that a cruel injustice had been inflicted on him, if he had been prevented

by the arbitrary regulations of trade-societies from engaging in those branches of industry in which nature had apparently destined him to achieve success. Mankind in general would suffer, if those who may be physically weak, but are gifted with delicacy of touch, are driven to pursue those kinds of labour which chiefly require muscular strength; whilst, at the same time, those who have the sturdy limb and the strong arm, are unnaturally forced into an industry which requires not strength, but the trained dexterity of hand and eye. Moreover, the labourers should remember that wealth is in England accumulated so rapidly, because in industry, we are able to compete successfully with the whole world. In many trades the competition is so keen and so close, that victory only just turns in our favour. The balance of advantage is so slightly on our side, that if we were hampered by many vexatious restrictions, other competitors would readily undersell us, and thus our foreign commerce might soon be imperilled. Sheffield has to contend against Liège, Manchester has to compete against Rouen and Mulhouse, and the silk manufacturers of England, although they have the advantage of cheap coal and admirable machinery, must not forget that their brethren in France can employ operatives who work for lower wages, and who seem to inherit a more exquisite taste for the

beauty of colour. If, therefore, the balance of advantage should even be turned slightly against us, we may lose the advantage which we now possess, and an industry which employs thousands of hands, may gradually decay.

I have endeavoured, with as little prejudice as possible, to discuss the influence exerted by trades unions. I have shown that these societies often perform a most important service, by enabling the labourers to make a provision against any disasters which may be brought upon them, either by illness, or by the fluctuations of trade. I also trust that I have been sufficiently explicit in warning the labourers against the impolicy and injustice of enforcing any arbitrary trade regulations, which may either impede the successful prosecution of industry, or may coerce the individual freedom of those who do not wish to join these trade combinations. I have hitherto purposely avoided associating trades unions with strikes, because it is generally erroneously assumed, that between trades unions and strikes there is a necessary and an inevitable connection. The origin of this error may be easily explained. A strike and a trades union both imply a combination; but those who combine to form a trades union, may never consent to allow the combination which is thus formed, to supply the organization which a strike requires. Many

working men are as much opposed to strikes as are their employers; and yet not a few of the working men who hold these opinions are members of trades unions. It is easy to understand how it comes to pass that these societies are so constantly connected with strikes; a strike requires combination; and a trades union always has, as it were, ready at hand the combination which a strike needs.

CHAPTER VI.

Emigration.

DURING the last few years, the present and future position of our labouring population has been most powerfully affected by emigration. Many of the circumstances which we have already discussed, are perhaps somewhat uncertain in their operation. Opinions may differ as to the consequences which would result, if a greater area of land was owned and cultivated by labourers, and if a greater portion of our national industry was carried on through the medium of co-operative institutions. No one, however, can deny the great influence which has already been produced upon the condition of our labourers by emigration; and if this emigration continues on a large scale during many years, the remuneration of labour may be so greatly increased as materially to affect not only the labourers, but also every other section of the community. Hitherto we have had a surplus population which has supplied with labour many countries which are gradu-

ally rising, or which have already risen into wealth and prosperity. We have therefore accustomed ourselves to consider emigration, without dwelling upon the no less important effects which result from an immigration of labour into a country. Some nations have a population far more dense than our own. China is peopled as thickly as it can be, until its resources are developed with greater skill and knowledge. The underpaid Chinese labourer has already shown an anxiety to leave his own country, in order to obtain the large wages which are paid in Australia and California. It is therefore not an impossible supposition, that as labour becomes dearer in our own country, we may witness a large immigration of labour into England. I therefore hope to lay before you some of the many reflections which are suggested, not only by emigration, but also by an immigration of labour on a large scale.

At the beginning of this century, when Malthus published his celebrated Essay on population, the great social and economic problem which then required solution, was the relief of an over-stocked labour market. The truth of the law was receiving a sad and practical illustration, that as population increases food becomes more expensive, unless a greater demand for agricultural produce is met by augmented importations, or by the introduction of

agricultural improvements. No pen can ever adequately describe the sufferings which our poor endured, at the period to which we are referring. Their misery becomes the more deplorable to think upon, when it is remembered that the cheap food which was required was prevented from being sent to these shores by protective duties, a policy which remains a lasting monument, of either the ignorance, or the selfishness of those who then governed the State. If seasons were unpropitious, our own deficient harvest could not be supplemented by supplies from other countries where the crop might have been more abundant, until corn advanced almost to a famine price. Men then seemed born to be a burden to themselves, and to everyone else around them. During the winter months, great numbers of able-bodied agricultural and other labourers, in vain endeavoured to obtain employment, and they were obliged to live on the parish rates, in order to avoid starvation. With a view of lessening the pecuniary burdens which such widespread pauperism entailed, various expedients were resorted to, which in many respects only aggravated the misery of the poor. Employers, not unreasonably feared, that if workmen should be attracted to a particular district by a sudden demand for labour, they would remain there to swell the surplus population of the locality, if industry should again

become inactive. Various laws were consequently passed with the avowed object of preventing labourers from moving from the locality in which they were born. These various regulations, which were termed the laws of settlement, inflicted the greatest hardship upon the labourers, because they were prevented from seeking employment in those districts where the highest wages were paid.

But bad as was the condition of the labouring classes of England, it was infinitely worse in Ireland. In no civilised country has the mass of the people ever existed in more abject misery. And yet Ireland has natural resources well adapted for the production of great wealth. It is idle, in fact, it is almost wicked to explain Ireland's misfortunes, by saying that the Celtic is naturally inferior to the Saxon race. Ireland has produced soldiers, orators, statesmen, and thinkers, who have added lustre to the history of our empire. Moreover, the people who grovel in the huts of Tipperary at once possess so many industrial virtues, when they can labour under favourable economic conditions, that they have become the pioneers of civilisation in the Western world, and have there been the chief founders of nations which seem likely to rival us in wealth and prosperity. In Ireland, everything apparently combined to lower the condition of the people. Those

who owned the land were absentee landlords, who never performed one of the duties which ought to attach to the possession of property. The land was let to peasant farmers, who were termed cottiers; they possessed no capital, except a few rude tools and the scanty furniture of their miserable dwellings. They cared not what rent they offered to pay; their only object was to obtain possession of a plot of ground; for they knew that however much they became indebted to their landlord, they had no property which he could seize, and that he must leave them sufficient potatoes to enable them to subsist. They had no motive to be industrious, or to exercise any prudence, for if they produced anything beyond a bare subsistence, it would be taken from them to pay their arrears of rent. They consequently married with the utmost recklessness, and the land, since no capital was applied to its cultivation, gradually became more and more impoverished. Since the population constantly increased, and, at the same time, the soil was more and more exhausted, the mass of the people sank deeper and deeper into the depths of abject poverty. In the year 1847 all this misery accumulated into a terrible crisis. The potato, which had become almost the sole food of the people was diseased, and the nation was decimated by the most ter-

rible famine which has been witnessed in modern times. There was not enough food in the country to provide a bare subsistence, and one of two alternatives became inevitable. The people must either starve or leave their country; the tens of thousands who died from starvation can never be accurately enumerated; and an emigration commenced on such a gigantic scale from Ireland to America, as can be only compared to the exodus which is described in Holy Writ. This emigration soon acquired an accumulating intensity, for these emigrants settled in the United States, where fertile land was cheap, and where labour was highly remunerated; their whole habit of life was changed. Those who had been made improvident by hopeless wretchedness soon showed that they had the virtues of prudence now that they had an opportunity of accumulating wealth. The first object to which they devoted their savings was to send money back to Ireland, to enable all their relations and friends to emigrate. The amount thus remitted between 1847 and 1864 has been not less than £10,000,000; no statistical fact is more astonishing or more instructive. In this way emigration has been so powerfully stimulated, that in twenty years, from 1841 to 1861, the population of Ireland was reduced from 8,100,000 to 5,800,000. This emigration must be regarded as a most happy

circumstance; for if it had not occurred, a great part of the nation must have fallen victims to all the horrors of starvation. It cannot however be denied, that the events which have occurred during these few years, form a mournful epoch in the history of our nation. It is not unfrequently asserted that Political Economy is a hard-hearted science; but in Ireland, everything was disregarded, which according to Political Economy would promote the production of wealth; and the result was, that it became absolutely necessary that the nation should be depopulated, either by starvation, or by emigration. If a retributive Providence governs the destinies of nations, we ought to feel that we must in future do much by thought and deed, to prevent the wrongs which Ireland has suffered from being avenged on those, who have misruled and mismanaged that country. I almost shudder when I sometimes hear the Irish opprobriously described as low, ignorant, and indolent; it is like cruelly thrusting a daughter into the streets, who has naturally noble instincts, and generous sentiments, and then upbraiding her because she becomes an outcast of society. Our sovereign would do well to take every opportunity of showing the most tender attention to the Irish, and thus try to soothe the memory of the many cruel wrongs which they have endured. Our legislature

ought to be careful to discover whether in Ireland there are any abuses still to be remedied, which are the remnants of an oppression based on religious intolerance; and Irish landlords should strive by judicious liberality to make some amends for the wrongs which were committed in those days, when it seemed to be thought that there were rights, but no duties connected with the ownership of land.

The almost sudden reduction of the population from 8,000,000 to 6,000,000 has been a remedy, which, though severe, has nevertheless produced many happy results. The drafting away of this surplus population relieved the country from an onerous burden; the supply of labour of course became greatly lessened, and, as a consequence, wages have rapidly advanced. Previous to 1847 able-bodied agricultural labourers in many parts of Ireland worked for fourpence a day, whereas now there is little difference between the wages paid in Ireland and in England. Formerly any additional demand for labour would cause thousands to flock from Ireland to England; our harvests were thus to a great extent reaped by labourers who came here from Ireland for two or three months in the year. But the number of labourers who leave Ireland for the English harvest has steadily diminished; and a very intelligent

observer, who has lately travelled in that country assures me, that if the present rate of emigration from Ireland continues for some time longer, the day may not be far distant, when the Irish harvests will have to be reaped by English labourers. The reduction in the number of the labouring population has not been the only circumstance which has caused wages to advance in Ireland.

The sale of the property of embarrassed landowners has been so much facilitated in Ireland, that 2,800,000 acres, or one-seventh of the whole area of the island, has been sold in the Encumbered Estates Courts. The estates thus disposed of, were as a general rule possessed by those who were deeply in debt, and were consequently unable to carry out improvements; whereas the new proprietors are generally married men who have the requisite capital to secure efficient cultivation. Two causes have consequently combined to raise wages. In the first place, the number of the labouring population has decreased, and secondly capital, or in other words, the wage fund, has been augmented.

From England and Scotland during the last fifteen or twenty years, there has been a very large emigration, although the people have not been compelled to leave these countries by so sudden and awful a catastrophe, as that which

caused the Irish exodus. Our labourers did not emigrate in order to avert imminent starvation, but they left our shores with a view of improving their material condition, by settling in countries where labour was dear and land cheap. When we reflect on the pecuniary advantages which every emigrant may reasonably expect to obtain, it seems surprising that our labourers have not left us in much greater numbers. I have already endeavoured to show you that a large proportion of our working population are in a state of miserable poverty. The ordinary wages of our agricultural labourers are not more than nine or ten shillings a week; many of them live in dwellings which do not deserve the name of human habitations. It is scarcely possible for them to obtain the necessaries, much less any of the comforts of life. They cannot make any provision either for sickness or old age, and when their strength is exhausted by the hard toil which they have endured, they must bear the humiliation of becoming parish paupers. It seems wonderful that men who are in this condition, do not emigrate *en masse*; the United States, Australia and others of our colonies would gladly purchase their labour at four or five shillings a-day; they would be the citizens of a free government, and enjoy all the rights which Englishmen possess;

they would live in a climate as healthy as our own, and they would join nations which speak our language, which inherit our instincts, and which honour our institutions. In fact those who live here in poverty without the slightest hope of advancement might feel when they had emigrated, that a career of affluence, and an honourable social position was open both to them and their children. But we must remember that there are many obstacles which prevent labour passing from one country to another, with the same rapidity with which capital is transferred from one investment to another, when the realization of larger profits appears to be probable. There are powerful feelings, which are implanted by nature in the human breast; thus, love of country is an instinct which has preserved society, and which has prompted man to perform some of his noblest deeds. Again, the human character would soon be corrupted by selfishness and by other evil passions, if men did not feel a strong affection for their family, for their friends, and for their early associations. We may therefore hope that men will always show a great reluctance to leave their native land, and consequently some very powerful motive must operate to induce people to emigrate.

But love of country and affection for family and friends have not been the only causes which

have restrained the English and Scotch from emigrating. It is well known that the more ignorant people are, the more terrified they feel at the prospect of a long sea-voyage.

Unskilled workmen, such as agricultural labourers, are those who obtain the greatest benefit from emigration. In the first place, these are the labourers who in our own country are the worst paid, and these labourers moreover supply that kind of labour which is most required in young countries. When a nation accumulates wealth, a demand arises for commodities, which only can be made by workmen who possess refined taste and delicate skill. The peculiar qualities which give value to the labour of our more skilled artisans would be of little use to the emigrant, for he has often to be the pioneer of civilization in the boundless prairies of the far West, or in the almost untrodden wilds of Australia. He therefore needs a strong constitution, a muscular frame, and that determined energy which arises from physical strength. Agriculture is almost certain to be the chief industry of a young colony; manufactures cannot thrive until population so increases that large masses of people are aggregated together. Consequently agricultural labourers, and others who are accustomed to outdoor employment have been chiefly those who have emigrated from our

country; but it so happens that these individuals are amongst the most ignorant of our population; our emigrants have been drawn from a class who would be most powerfully affected by a dread of the dangers and difficulties to be encountered in distant lands. From these and various other reasons, emigration from England and Scotland has not yet been on a sufficiently large scale to cause a serious disturbance in any branch of industry. It may in fact be said, that hitherto this emigration has produced unmixed good. Our surplus population has alone been drafted off, and no branch of industry has as yet been impeded by a deficiency in the supply of labour. If this surplus population had not been thus absorbed, labour would no doubt be cheaper, but I doubt if this would have conferred any real benefit upon the capitalist class, for it must be remembered that when men are unemployed they become a useless and a very expensive burden; they have to be maintained by parish relief, and each advance in the poor-rates really takes so much from the profits realised upon the capital invested in business. For instance, it is quite certain, that during the last few years, emigration has produced a very considerable advance in the wages of all our labourers; and yet I believe that the average rate of profit obtained by employers has increased,

instead of being reduced. It is a well-established principle in Political Economy, that the rate of profit depends upon the cost of labour, and that the cost of labour is determined, not only by the wages paid, but also by the amount of work which is really done for these wages. Many of our labourers at the present time can barely obtain a sufficiency of the necessaries of life. A reduction in their wages might diminish their strength, and in this way the cost of labour might be increased instead of being lessened. We can all appreciate the false economy which would be practised, if a horse was so much stinted of food, that he could only do half as much work as he would be able to perform if he was properly fed.

These considerations justify the conclusion that emigration has achieved the great result of benefiting those who have left our shores, and at the same time has effected a marked improvement in the condition of our home population; moreover, these striking advantages have been secured, without causing the slightest loss to the rest of the community. There are however other most important consequences which have resulted from emigration. I have already told you that as a nation advances in population and wealth, food has a tendency to become more expensive. Hence arises the chief economic difficulty which a pro-

sperous nation, such as England, has to surmount. For it is manifest that if food becomes more expensive, wages must be advanced in order to prevent a deterioration in the condition of the labourer. But the profits of the capitalist must be diminished, if wages are advanced in order to compensate the labourer for an increase in the cost of living. The amount of capital which is accumulated, depends *cæteris paribus* upon the average rate of profit which can be realised. Hence dear food is prejudicial both to employers and employed. The employer suffers, because he is obliged to pay higher wages, and the employed cannot continue to obtain such additional wages as will recompense him for a rise in the price of food; since if profits are diminished less capital will be accumulated, and therefore a less aggregate amount will be distributed in wages. It consequently becomes of great importance both to employers and employed that the cost of the ordinary necessities of life should not be augmented.

The cheap food which is thus so essential to us as a nation, is to a great extent supplied to us from those countries whose resources have been chiefly developed by our emigrants. Our average importation of wheat is not less than five million quarters; a very considerable portion of this is sent to us from the Western States of America, where

boundless tracts of the richest corn-land in the world still remain uncultivated; each emigrant who tills this productive soil increases the quantity of cheap food which can be imported into our own country. Emigration consequently not only improves the condition of our people by drawing off our surplus population, but it also confers a signal benefit both upon the labourer and upon his master; for through its agency a bountiful supply of cheap food is afforded, and if this cheap food was not forthcoming, an increasing population must gradually decline in prosperity.

But may not emigration proceed too far? This is a question which may be most reasonably asked, and it is one which well deserves to be most carefully considered. I have already remarked, that emigration, when once begun, continues for some time to operate with increasing force. No one, for instance, can think that the agricultural labourer can have any valid reason to remain here, working hard for nine or ten shillings a week, when either in America or in our colonies, employers would most gladly give him four or five times as much for his labour. But the agricultural labourer is so stationary, because his energy has been damped by ignorance, and all enterprise has been destroyed in him by the dull routine in which he has passed his life. Each man who emigrates

and achieves success, is certain to cause his example to be followed by many of his former friends and associates. They will receive from him a glowing picture of his new life. He will entreat them to come and forsake their poverty for the affluence which he is now enjoying, and they will learn from him that it is easy to surmount the many difficulties and dangers with which a voyage to a foreign country has been associated in their minds. The tide of emigration continues to flow with such startling rapidity from Ireland, chiefly because those who have already emigrated are not only constantly encouraging others to follow their example, but are also supplying them with the money to pay for their passage and outfit. It therefore seems to be by no means improbable that in the course of a few years there may be a much greater emigration from our agricultural districts than has ever been known before. Already an alarm is occasionally heard from some of our farmers, that there is a scarcity of labour. Up to the present time, emigration has not produced such an effect upon wages as might have been anticipated, and the reason of this is, that we had a surplus population which could be drawn upon for a considerable period without producing much effect upon wages. Let it, however now, not be forgotten, that this source of supply is exhausted,

for at the present time it may be said, that all our able-bodied labourers who are anxious to work can find employment. We have been so long accustomed to speak of our increasing population, that it becomes difficult for us to grapple with the significant fact, that the population of the United Kingdom is at the present time stationary. The last returns of the Registrar General prove that emigration is at the present time so great, that it almost exactly absorbs the excess of births over deaths. This statistical fact implies so many considerations of such vital importance that it may be considered to denote a new epoch in the economic history of this country.

Our population during each successive period of our history has been steadily augmenting. Frequently, population advanced more rapidly than capital was accumulated, and this was especially the case during the earlier years of the present century. At that time the supply of labour greatly exceeded the demand. Consequently there was then a large surplus of unemployed labour. Those who could not find work were maintained by parochial relief, and hence the poor-rates gradually absorbed an increasing portion of the aggregate wealth of the country. The burden which was thus cast upon industry so seriously impeded commercial activity, that the industry of the country might

have been permanently crippled. It therefore became absolutely necessary to impose more stringent conditions upon those able-bodied labourers who sought relief. The desired object was effected by the celebrated Poor Law Act of 1834. The great end sought to be attained by this Act was to limit out-door relief, and since that time every one who claims parochial assistance can be compelled to become an inmate of the Union Workhouse. The able-bodied have always shown a great repugnance to the discipline and the restraints to which they must submit whilst they remain in the poor-house. Hence since 1834, parochial relief has been seldom sought, except by those who are either helpless or really destitute.

But reverting to those times when labour was redundant, you will readily perceive that the wages of the worst-paid labourers would only just suffice to provide them with a bare subsistence, when there was a dearth of employment for those who were willing to work. When such a state of things existed, no employer would be compelled to pay more than what may be termed 'Pauper wages;' if his labourers were not satisfied to work for such a remuneration, those who were unemployed would be thankful to work for him, if the wages which he offered them would secure them any small advantages or comforts which

they were unable to obtain from parochial relief. You will therefore find that the speculations of the eminent Political Economists, such as Ricardo and Malthus, who wrote at the period to which I am alluding, invariably assume as an axiom, that the remuneration of our worst-paid labourers is so small as to keep them constantly on the verge of pauperism. These eminent writers are even now often ignorantly described as if they were too hard-hearted to have any generous sympathies. Malthus and Ricardo, however, devoted their powerful and humane minds to understand the causes which produced, and thence to discover the remedies which would alleviate, the distressing poverty with which their country was afflicted. They appreciated the full force of the truth that the wages of many labourers would continue to represent nothing more than a bare subsistence as long as there was a surplus unemployed population. This conviction induced Malthus to write his celebrated *Essay on Population*, for the main object of this work was to prove that the condition of mankind must deteriorate unless population was restrained. The opinions which were expressed by Malthus have been frequently misrepresented; for it has been stated that all his conclusions were based upon the principle, that population increases in a geometric ratio, whereas food only increases in an

arithmetic ratio. The employment of such language was no doubt unfortunate; yet no one who reads Malthus, with an unprejudiced mind, can fail to be convinced by the truths which he demonstrated. We must all admit that it has been conclusively established by experience, that man's power to multiply his species is so great, that a country would sooner or later be unable to support its population, unless causes were brought into operation which either restrained or diminished it.

Malthus, in his Essay, gave a most detailed and interesting account of the various checks which restrain population in different countries, and in different periods of history. In all countries which are comparatively uncivilized, the increase of population has been chiefly prevented by war, and by those periodic visitations of famine and disease which seem to be the certain companions of barbarism. As nations become civilized, the forces of nature are made more obedient to man's control, and famines become much less frequent. The laws of health are better understood and more studiously regarded, and consequently man is no longer devastated by those plagues which in former ages so often decimated a nation. It might therefore be thought that population, unrestrained by these checks, would, in the most civilized countries, advance with marvellous rapidity. The present cen-

ture has however witnessed no such increase of population in any European country, and the reason of this it is not difficult to understand. Utter recklessness with regard to the future is one of the surest marks of barbarism. But as people become more civilized, their acts are more frequently controlled by prudent foresight; the responsibility of causing children to be born into the world will not be incurred, unless parents consider that they possess the requisite means to rear, to educate, and to maintain, the social position of these children. These are the feelings which chiefly impede the full increase of population in such countries as Great Britain. It must however be borne in mind, that these feelings act with very different force upon different classes in the same country. People may become so miserably poor, that they cease to have any care for the future. Thus the wretched cottiers of Ireland married with utter recklessness. No ray of hope ever penetrated their abject poverty; and whether they had a large family or not, their only prospect seemed to be to obtain just sufficient subsistence to keep them on the verge of starvation; they were hopelessly in debt to their landlords; and hence any surplus which their industry might yield, was as it were absorbed in this insatiable gulf.

Our worst paid labourers in England and

Scotland have perhaps never felt their condition to be one of utter hopelessness; and consequently in these countries, an increase of population amongst even the very poor, has always been restrained by some prudential considerations. If the material condition of our labourers should improve, they will gradually become accustomed to recognise as essential to their happiness a standard of living, with which is associated an increasing amount of comfort. Many individuals in the middle and upper classes are often for a time compelled to resist the desire which they may feel to marry, because they are impressed with the conviction, that they cannot afford it. But when a man engaged in a profession or trade says that he cannot afford to marry, what does this mean? He would not starve if he married; but he may perhaps think that he should act wrongly if he brought children into the world, unless he could give them the education, or the comforts, which he has had the advantage of enjoying himself.

I trust you will not think when I make these allusions to the speculations of Malthus, I am anxious to express an opinion, that our own countrymen, by placing restraints upon population, will either augment their own happiness, or increase the general well-being of mankind. I have referred to Malthus, because at the time when he

wrote, the truth of the principle was receiving a terrible verification, that the material condition of the people will decline if population is permitted so rapidly to increase, that the surplus of unemployed labour becomes steadily augmented. I know it may be said, and said with truth, that the world is as yet most sparsely peopled; there are still vast tracts as yet scarcely trodden by man, which are gifted with such great natural resources, that they might become the home of mighty, happy, and prosperous nations. A glance at the map of the world will abundantly verify the truth of this fact. Australia, for instance, has been only partly explored, and we make a most moderate computation if we say that a population of 100,000,000 might live there with every comfort that man could require. Again, it has been calculated that the valley of the Mississippi, if it was cultivated with as much care as our own country, would grow enough wheat to feed all the inhabitants now existing on this earth. Without specially alluding to particular localities, a moment's reflection will convince you, that in Europe, Asia, Africa, and America, there are tracts of land now unpeopled, which, if they were properly cultivated, might support a population as numerous and as wealthy as that which exists on the soil of these islands.

The truth therefore becomes irresistibly brought home to our minds, that if a man finds his labour is not wanted in one country, he ought not to stagnate there in hopeless poverty; there is placed before him in other lands a great and glorious career; a great career, because he may become the progenitor of mighty nations; a glorious career, because he will abundantly fulfil the behests of his Maker, if he causes the wilderness to become the home of civilised man. This world was made for the occupation of the human race, and it never could be intended that fertile soils should grow nothing but rank and useless vegetation; it never could be intended, that rivers which might stimulate the production of untold wealth should always continue to flow through solitudes; it never could be intended, we may unhesitatingly say, that scenes should continue to be viewed by no human eye, which are so beautiful, that their contemplation must make man look from Nature up to Nature's God.

The experience of the last century would seem to show, that it is peculiarly the destined mission of our own country to become the mother of nations. Small as is the area of these islands, they have chiefly supplied the emigrants, from whom have sprung the population which now occupies the vast continent of North America. Already

there are not less than 30,000,000 on American soil who speak our language, and who must look to us as their progenitors; before 100 years have passed, the number will probably be quadrupled. In the course of a few years, our emigrants have founded the Australian colonies, and already more than a million of British subjects are living there in a state of comfort and affluence, which our own labourers unfortunately do not enjoy. Twenty years since, the colony of Victoria was little more than a vast unoccupied pasture; it now has a great trade, it has a constitutional Parliament, in which State questions are discussed with great ability; and its capital city, Melbourne, has streets and buildings which would do honour to our most thriving towns. These are the facts which give to England her special greatness and her peculiar glory. The mighty nations which have existed in bygone ages have perished, and have left behind them no living testimony. Greece was adorned with a civilisation which has in many respects never been equalled. No prodigies of valour have ever surpassed those which were performed by Grecian heroes. Grecian buildings have had to bear the ravages of time, and yet their exquisite beauty still suggests models for modern architects to strive to imitate. Greek orators, Greek poets, and Greek historians, have left behind them only

fragments of their works, and yet they form the finest literature which one language ever produced. Again, Rome had an empire as vast as our own, and yet when the greatness of Greece and Rome had departed, they left behind them, as it were, no offspring to inherit their institutions, and to transmit their glory from generation to generation. Our countrymen, without feeling any excess of national pride, may reasonably believe that the greatness of our race will be perpetuated, although Great Britain may not maintain her present pre-eminence.

But amidst the emotions which reflections on such topics as these suggest, let us not forget some of the more immediate consequences which may result from the tendency which our labourers now exhibit to emigrate to any locality where their labour will receive its best reward. Two agencies of potent influence which scarcely existed in the days of earlier Political Economists are each year operating with increasing force. In the first place, it must have been remarked by all observers, that until recent times modern nations were in a state of chronic war. Legislators moreover framed protective tariffs with the view of impeding commercial intercourse; hence capital was only in a slight degree transmitted from country to country. But at the present time the capital which one nation accumulates is not alone applied to support

its own industry; capital is freely sent to any country, if the rate of profit which can be realised upon it is sufficiently attractive. Again, until a recent period, labourers would seldom leave their own country, and they would even often appear bound by an inexorable destiny to remain in the locality in which they were born. When capital and labour thus remain stationary many economic principles could be enunciated which have now lost their applicability. Then it could be said, with approximate truth, that the rate of wages in each country depended upon the number of its labouring population, compared with the amount of capital which was accumulated in that country. But now this principle has to be modified, for only a portion of the wealth which is, for instance, annually saved in England is retained to assist our own industry; the vast sums of English capital which are annually invested in foreign countries do not immediately produce any augmentation in our own wage fund. Formerly, if the births greatly exceeded the deaths, it could positively be asserted, that there would be an increasing number of labourers competing for employment. Now, however, it may happen, that numbers who are born in this country may never seek employment here, but may be drafted off to far distant labour markets.

These considerations show that the principles of Political Economy have to be stated with constantly widening generality. Formerly, the condition of any class of labourers was mainly determined by the amount of capital accumulated in one district, compared with the number of labourers who happened to be born in that particular locality. In different counties of England, the same kind of labour would receive the most various rates of remuneration. Agricultural labourers might through a long series of years have received fifty per cent. more wages in Yorkshire than in Dorsetshire, and yet no single labourer would leave Dorsetshire, in order to enjoy comparative prosperity in Yorkshire. This immobility of the labourer was partly due to ignorance and to the want of enterprise which ignorance engenders; it was, however, chiefly encouraged by the Laws of Settlement, which were connected with our system of poor-relief. These Laws of Settlement, which may be regarded as amongst the most cruel wrongs that ever oppressed a class, are now happily modified by a more enlightened legislation. Railways and other improvements in the means of communication have wonderfully increased the facility of passing from one locality to another, and education has made the labourers more enterprising. All these influences have combined to cause the

remuneration which is paid for the same kind of labour in different parts of the same country, to approximate each year more and more to uniformity. This tendency to equalise the wages which are paid for the same kind of work in different localities of the same country, will gradually extend its influence, and labourers will show a greater willingness to emigrate, if in other countries their labour will receive a higher remuneration.

Let us therefore for a moment reflect upon the position of an agricultural labourer in England, and then let us ascertain what will be his lot if he emigrates to Australia. The average weekly earnings of a Dorsetshire or Wiltshire labourer, do not certainly exceed eleven shillings a week. In the winter months, he only receives nine shillings a week, in the summer, he not unfrequently earns twelve or fifteen shillings a week; but it must be remembered that these wages are obtained for piece-work, and they really indicate not a higher remuneration for labour, but that the workman has an opportunity of making overtime. An English mower or reaper will commence work at four o'clock in the morning, and with two hours' rest for breakfast and dinner, will often continue his monotonous and severe exertion until seven or eight o'clock in the evening. The human frame is probably incapable of greater physical effort.

From these average weekly wages of eleven shillings, one shilling has to be deducted for house-rent, and ten shillings remain to supply the labourer with food and clothing. This amount barely suffices to give him a sufficiency of the necessary and essential comforts of life, even supposing that he is a single man, but if the ordinary English agricultural labourer has a wife and family, it can be readily demonstrated by the simplest calculation that ten shillings a week will not always bring to that household enough food to satisfy hunger*, or sufficient fuel and clothing to provide an adequate protection against the cold of our rigorous climate. As I have before said, many collateral evils result from this poverty; a father is driven, as it were by dire necessity, to send his children to work, directly they can earn the smallest wages. For how can we expect that the claims of education will be considered, when the two shillings a week, which is given to a child for holloaing at crows, or driving a plough, will perhaps alleviate the hunger of a family, or permit a little more fuel to give some additional warmth to a dreary and comfortless cottage. Children are thus taken away from school when they are eight years old, the

* The medical officer of the Board of Health has recently declared, after a most careful investigation, that one-fifth of our population have not a sufficiency of food and clothing.

little they have ever been taught is forgotten; the consequence is, that a great proportion of our agricultural population can neither read nor write. It is, moreover, evident that this melancholy ignorance is due to causes, which are neither affected by improved schools, nor by a cheap and extending literature.

In Australia, a first-class agricultural labourer can readily obtain seven shillings a day; these wages are four times as great as those which are paid in England. The cost of living is probably not greater in the one country than in the other; some commodities are comparatively dear in Australia, whereas others are remarkably cheap. All the first necessities of life, such as bread and meat, are much cheaper there than in England. All articles of Eastern produce, such as tea, coffee, and sugar are cheaper, because they have to be imported from a shorter distance, and the custom duties levied in Australia are much lighter than those that are imposed by our own tariff. Scarcity of labour of course makes all manufactured articles dear in Australia; but such commodities can be imported from England, and there therefore cannot permanently be any greater difference in the price of clothes and other wearing apparel in Australia and in England than would be sufficient to cover the cost of carriage between the one country

and the other. It consequently appears that the wages of the ordinary labourer estimated not only in money, but also in the amount of commodities which these wages will purchase, are four times as great in Australia as they are in England. It has been sometimes asserted that the wonderful material prosperity which is conferred by emigration upon the English labourer is more apparent than real; such opinions however are not always disinterested. Australia has a climate as healthy as our own. A settler in that country does not seek a home amongst those who are strangers to his race and language; the Australians are socially an integral part of the British Empire; our Queen has not more loyal subjects; they speak our language; they read our literature, their tastes and their pursuits are the same as our own, and they pursue with eagerness the sports and amusements, which have done so much to mould our national character. If a traveller walks along the streets of Melbourne, he would not know but that he was in an English city possessing a peculiar beauty and magnificence; its situation is picturesque, its inhabitants are wealthy, and its streets obtain from their width an architectural beauty, which is unknown in those countries where towns have not been built and arranged, until land possessed a monopoly value.

An English labourer moreover has no definite prospect of improving his lot; his life is a severe struggle for existence; those who are born to work for daily wages end their days in the same position; an agricultural labourer would be obliged to make severe sacrifices to save £200, and if he succeeded in this difficult achievement, our poor law system would prevent his position being in the least degree superior to the position of one who never attempted to save a shilling. The guardians who administer the poor-rates, would immediately say to the man who had saved, You possess so many shillings a week, and therefore we shall deduct this amount from the relief which we grant you, if you apply to us for assistance, either in old age or sickness. Contrast the melancholy hopelessness of such a career, with the future which is placed before every man who is willing to be industrious, where labour is remunerated as highly as it is in Australia. The facts which have been adduced, prove that the Australian settler who earns his six or seven shillings a day might with ordinary prudence annually save £50, and the eligible investments which are offered to him for his capital are such as can never be enjoyed in an old country. It is a well-established principle in economic science, that where fertile land is abundant and consequently cheap, a high rate of

profit will inevitably prevail; on the other hand, the rate of profit will be low, where the resources of the land must, as it were, be severely strained, in order to provide food for an increasing population. England and Australia illustrate the truth of this principle. In the former country, a good security such as a freehold mortgage, will not yield more than $4\frac{1}{2}$ per cent. interest, whereas in Australia the interest which can be obtained for a similar investment is not less than 8 per cent. Again the desire to acquire land, a taste which seems to be implanted in us all by nature, can rarely be gratified by our own labourers. The ownership of landed property is each year more and more becoming a luxury which none but the very wealthy can hope to enjoy. Our law favours the aggregation of land into large properties, and with the growth of national wealth, a greater number compete for the limited quantity of land which is brought into the market. In Australia however, the whole community may become landed proprietors; three or four years of thrift will make the Australian labourer the owner of the land which he cultivates.

The emigrant moreover loses nothing with regard to political privileges; we speak with just and natural pride of a constitution which gives us all equality under the law, and which secures

us the broadest freedom, both in thought and speech. But our legislators have up to the present time supposed that the working classes cannot with safety and advantage be permitted to take part in the government of the country. They have to bear the burden of severe taxation without enjoying Parliamentary representation; their welfare is materially affected by laws in the enactment of which they have no voice; wars are declared, and they have no representatives to give effect to the opinions which they may hold upon the policy which leads to hostilities; yet the war may cause thousands of lives to be sacrificed, may cause millions of treasure to be squandered, and may thus bring death and sorrow to many a humble home, and may place a more onerous burden of taxation upon unborn generations of those who have to work for daily wages. I do not wish here to express political sentiments. This is not the place either to enlarge upon the dangers, or to speak of the advantages of an extended suffrage. I am simply endeavouring to describe the salient points of difference in the condition of the emigrant and of the home labourer, and this comparison would be incomplete, if I did not allude to the fact, that in our own country, the working man seldom possesses the franchise, when at the same time our colonial constitutions give the suf-

frage to every adult who is not disqualified by the commission of some crime.

In my opinion, the facts which have been here adduced render it impossible for us to resist the conclusion, that at the present time, emigration would effect a most decided improvement in the material condition of the great mass of our ordinary labourers. When moreover it has been shown that the emigrant has to submit to no social or political disadvantages, I think that to every one who takes an interest in the future of this country, there is a subject suggested for the most anxious and serious reflection. For if our labouring population would gain by leaving their own country, can we feel any real security that we shall be able to retain a sufficient amount of labour to support our present industrial development. Ireland still has to witness that exodus of her population, which has now continued with steady force for so many years; and we cannot expect, nor ought we to desire, that labourers will remain in England to drag out a miserable existence on nine or ten shillings a week*. I would earnestly entreat our commercial men to think upon this subject before it

* At the present time (the autumn of 1865), the emigration from the port of Liverpool alone, is at the rate of 160,000 a year. Although trade has revived, the present emigration shows an increase of 30 per cent. over the emigration of last year.

is too late. I venture to ask them no longer to estimate the prosperity of the country by the amount of wealth which is produced. Let them inquire how that wealth is distributed, for, we may depend upon it, that the welfare of the country is not increased, but, that on the contrary, its greatness is being rapidly undermined, if those who possess vast wealth become still more wealthy, whilst at the same time, the poverty of the poor receives no alleviation. Our leading statesmen have been too prone to measure the weal of the country by a fallacious statistical standard. Around us, on every side, there are striking evidences of wealth being accumulated with unexampled rapidity. Our exports and imports have in a few years trebled. The soil is better cultivated, all the material resources of the country are developed with the greatest skill and enterprise, and there are all the outward tokens of vast wealth. When we observe these things we are inclined to say, Mark, what proofs of national prosperity! But let it be remembered, that the labourers may observe the same facts, and then let me ask, if some very different thoughts will not be suggested to their minds.

A man may perhaps have worked upon the same farm all his life; he may remember how its cultivation has improved, and how the produce

raised from it has been increased, yet he finds that he is still living in the same miserable two-roomed hovel; his children herd together in the same way that children herded together when he was young; he is ignorant, and so are his children; his father came upon the parish when his work was done; he can anticipate no other ending to his own life, for he has not been able to save a single shilling. The working miner hears that those for whom he is labouring have accumulated gigantic fortunes, and yet he finds that as he advances scarcely beyond the prime of life, his industrial career is virtually ended; for with a constitution ruined by the unhealthiness of his employment, he has to face the miseries of poverty. Those labourers who have been the constructors of our docks, our railways, and our canals; works which have yielded untold wealth, too often find that while these mighty industrial improvements have been achieved, they who make them, have to live in dwellings where no comfort can be enjoyed, and where every decency of life has to be forgotten. Let us not forget, that whilst we are congratulating ourselves upon our national prosperity, thoughts such as those I have just described may stimulate great masses of our population to seek those countries, where they believe that labour will receive a higher reward, and a more satisfactory recognition. I therefore feel

that it is of urgent importance that our labourers should become more wealthy, and their condition more satisfactory; for if these ends cannot be attained, we shall lose, through emigration, the élite of our labouring population; the intelligent and enterprising will go forth first, and leave this country burdened with the young, the old, and the indolent.

It may perhaps be thought, that I, in expressing these opinions, am forgetting the strict principles of economic science, and that I am permitting myself to be influenced by the sentimentality of a vague philanthropy. I feel confident however, that I shall be able to convince you, that I advocate no remedial measures which are opposed to any single principle of economic science. I will therefore commence, by recalling to your mind the simple laws which regulate wages. You will remember that the average rate of wages which prevails in any country depends upon a ratio between capital and population, and the wages which are paid in any particular industry depend upon the amount of capital invested in that industry, compared with the number of labourers, who seek to be employed in that special branch of business. At the present time in this country there are not too many labourers; no able-bodied man has a difficulty in obtaining employment; the prosperity of the coun-

try will therefore be impaired if an advance in wages should be obtained through a decline in the number of our labouring population; for unless there is a surplus population, the labourers cannot decrease in number without affecting our industry, and without also depriving us of one of the elements of our national greatness; since we conceive that the greatness of a country is to be tested by increasing happiness diffused amongst a larger population.

As therefore we do not wish to see our population decrease, and as wages can only be advanced, either by an increase of capital, or by a decrease in the number of labourers, we are reduced to a consideration of the following problem, What can be done to cause more capital to be distributed in wages? It will be at once admitted that the amount of capital invested in any industry, is determined by the rate of profit; the greater is the rate of profit, the greater will be the amount of capital embarked. It might therefore appear that we are placed in a hopeless dilemma; for if wages are advanced, the expenses of production are augmented; the profits of the employer will consequently be decreased, and he will be induced to invest less capital in his industry. Hence it appears that no advance in wages can permanently be maintained, which tends to diminish the rate of profit.

It may however perhaps be thought, that employers could charge a higher price for the commodities which they produce, and thus compensate themselves for the payment of additional wages. I have already alluded to various agencies which may be brought into operation, and which may prejudicially affect both employers and employed, if an additional remuneration to labour causes the price of commodities to be increased. Thus, suppose the wages of English operatives were so much increased that English manufacturers could not obtain an adequate rate of profit, unless they raised the price of their goods 10 per cent. If England was commercially isolated from the rest of the world, this augmentation in price might be fairly regarded as beneficial, because it was due to a circumstance which would denote a more satisfactory distribution of wealth; those who purchased manufactured goods would of course have to pay more for them; but this could not be regretted, since labour would be better remunerated. But England is not commercially isolated; both her import and her export trade extend over the world; in many branches of industry, there is between her and other countries a keenly contested competition. If the foreign producers could obtain any relative advantage, our own manufac-

turers would be undersold, both in the home and foreign market, and the existence of important trades would be imperilled. This consequently is a danger, which may threaten our commercial prosperity, if emigration from these shores should continue, and should thus so diminish the supply of labour, as to cause wages to advance, and thus make the cost of labour here to be greater than in other countries.

Let us therefore inquire whether the danger to which I have alluded can be averted. It is a danger which not only threatens, but may be regarded as impending; for nothing seems to be more certain, than that emigration will continue, unless our labourers become more wealthy and comfortable, and thus are able to enjoy many of those advantages which now attract them to other lands. Once more I will venture to impress upon you the fundamental principle, that the condition of the labourer cannot be permanently improved, if the additional remuneration which he receives diminishes the profits of the employers. But can no change be effected in our present industrial economy? Can no arrangements be adopted which will cause labour to be more efficient in the production of wealth? If the same amount of labour produced an increased quantity of wealth, there would then be more to be distributed both amongst the em-

ployers and the employed, and profits and wages might both be augmented.

It appears to me that the reply which can be given to these questions will determine what will be the industrial future of this country. In attempting to supply an answer, I wish you to remember that in this country, industry is carried on by capitalists and by labourers; these two classes consider that they have distinct interests, and between them there is consequently no bond of pecuniary sympathy. I believe it is only by modifying these unsatisfactory industrial relations that we can hope to retain the best portion of our industrial population; for it should not be forgotten, that at the present time many countries are eagerly competing for the skill and the energy of the British labourer.

I am chiefly induced to anticipate the future of our country with confidence and with hope, because each year supplies some gratifying indication, that our present industrial economy is susceptible of a beneficent change. Twenty years since cooperation was looked upon as the mischievous dream of democrats, and copartnership was never mentioned, without provoking the contemptuous derision of practical men. You are familiar with some of the great achievements of the cooperative movement; and before many years

have passed, there is every reason to suppose that in many of our largest commercial establishments, a copartnership between capital and labour will have been established. It is impossible to exaggerate the blessings and the material advantages which may result from thus uniting capital and labour, for the antagonism of these interests has been fruitful of the most baneful consequences.

Some successful schemes of copartnership have been described in a previous chapter. The Messrs. Crossley of Halifax, who employ between 4000 and 5000 hands, and whose carpet manufactory is perhaps the largest in the world, have established a copartnership between capital and labour. They have converted their business into a joint-stock company; they have retained a certain proportion of the shares themselves, and have preferentially allotted the remainder amongst their workmen. The workmen are to be represented on the board of direction. It is manifest that those who are employed in this establishment are placed in an entirely different position compared with the ordinary labourers. The antagonism of interests between employers and employed is at once destroyed, and thus harmony and sympathy will take the place of hostility and distrust. The dull monotony which must depress human energy if no other prospect is offered except to work through

life for daily wages will rapidly vanish; for a man's career will seem to be bright with hope and promise, if he knows that some self-denial will enable him to save sufficient to make him a partner in the particular business to which his labour is applied.

It will of course be said that such schemes are impracticable, that trade could not be carried on, if masters were subject to the interference which they would have to endure, supposing they permitted their labourers to become, even in a modified sense, their partners. But the practical difficulties of the scheme will soon receive a solution. It need only be said that those who have suggested and are making the experiment, are men who are unrivalled for their commercial sagacity and ability; they speak confidently of its success. The ground of this confident hope can be briefly and simply stated. The labourer's position will be vastly improved by copartnership, and therefore his labour will become much more efficient. Under our present industrial system, there is no force constantly in operation, to call forth the utmost energy and skill of the industrial classes. The remuneration of labour is regarded as a transaction of buying and selling; labourers are therefore frequently tempted to do as little work as possible for the wages received. Hence

although a very great expense may be incurred by employing foremen and others to overlook labourers, yet no amount of watching can be so effectual as to prevent work being often shirked and badly done. These defects which so seriously diminish the efficiency of labour would evidently be cured by copartnership; if therefore this new industrial system can be successfully introduced, the great economic problem of the age will have been solved. The labourer will have been made more wealthy, more happy, and more comfortable, and at the same time the prosperity of other classes will be in no degree diminished; because if labour is made more efficient, there will be a greater amount of wealth to distribute amongst all classes of society.

I moreover believe that as the labourers gradually become both morally and materially improved by copartnership, they will be trained to enjoy a higher phase of social life; for although we may be sincere admirers of the cooperative movement, yet we cannot fairly conceal from ourselves the fact, that the past life of the labourers of this country has not fitted the bulk of them immediately to partake of the advantages of co-operation. They must receive some preliminary training; they must be taught some economic truths, and copartnership is admirably fitted to

give this training, and supply this teaching. Thus the workmen who become partners in the Messrs. Crossley's establishment, will have impressed upon them by the force of experience, some of the most important truths in economic science. They will themselves witness the functions which capital performs, and they will consequently soon cease to rail against capital as if it exercised a despotic power over them. They will also become acquainted with the requisites for commercial success, and they will soon perceive that no mercantile skill can always avert depression in trade. They will also quickly discover that periods of great prosperity are often succeeded by periods of corresponding adversity; they will therefore know that the most thriving establishment would soon be ruined, if there was not sufficient prudence on the part of the managers, to set aside a portion of the great gains which are realised when trade is good, and thus create a reserve fund, which will enable trade to be continued when either only inadequate profits can be realised, or when perhaps heavy losses have to be incurred. As this varied experience is brought to bear upon the labourer, his whole character will receive such salutary training, as to fit him to participate in all the advantages of cooperation.

But as we dwell upon this possible future, so

bright and so happy for the working classes, and so encouraging to every one who is anxious for the welfare of his fellow-man, an interesting reflection may be suggested. Although in distant parts of the world, great, wealthy, and populous nations have been founded by European emigrants, yet hitherto there has been no immigration of labour into Europe from other countries which may be more thickly peopled, and in which labour receives a lower remuneration. Neither have labourers emigrated to any great extent from one European country to another, although in most of these countries very different rates of wages prevail. Wages are lower in Germany than in England, yet Germans have not emigrated to this country in sufficient numbers to produce any perceptible effect; they have however thronged in such multitudes to the United States, that the traveller in the far West may often imagine, as he passes through one of the many towns which have there sprung up with such startling rapidity, that he is in Germany; the people are German, the language he hears spoken is German, and they still retain many of the tastes and manners which they had in their own fatherland. When these facts are before us, can it be regarded as an impossible contingency, that in the course of a few years there may be a migration of labour on

a large scale from one European country to another?

The condition of our own labourers must rapidly improve, when emigration becomes, as it has become in Ireland, a great national movement. If therefore emigration continues, the labourers who remain here will gradually find that their industry will obtain as high a remuneration as it would obtain, either in the Colonies, or in the United States. But since our own country may before long possess almost the same economic advantages for the labourer as the United States or the Colonies, what is there to prevent the tide of European emigration flowing to us? A long, expensive, and a wearisome voyage would be saved; moreover, it must be borne in mind that all the tendencies of the present age, encourage such a migration between contiguous countries. If we place faith in the progress of civilization, we must believe that war will become less frequent, and that the barriers of prejudice and antipathy which have separated nation from nation, will be gradually swept away. It was formerly thought that hatred of foreigners exhibited all the virtues of high-minded patriotism. But the time is rapidly coming, when those most distinguished for virtue and nobility of character must have a wider sympathy than love of country. A desire

to see your own countrymen prosperous and happy will then be regarded as selfish and narrow-minded, if it is not associated with a sincere anxiety for the welfare of the whole human race. As the prejudice against foreign countries declines, an increasing readiness will be shown to pass from one country to another, in order to secure a higher remuneration for labour. Agencies will in fact be brought into operation, similar to those which at the present time cause capital to be readily transferred from one country to another. In those days when wars were constant, and a general distrust was thus engendered, almost the whole of the capital which England accumulated was invested in her own industry. Now however English savings are distributed over the world; let it only be proved that an industrial enterprise is likely to be profitable, and English capital is sure to be forthcoming.

But there is another migration of labour which is perhaps destined to be far more momentous in its consequences than the one to which we have been referring; for to what an extent may not the future of the human race be affected, if the densely populated, and comparatively uncivilized East should pour vast crowds of labourers into the civilized countries of the Western world? China has a population of more than 300,000,000,

and her numbers are only kept within these limits by an actual want of subsistence. If she yielded all the food which might be produced by the proper development of her resources, the population of China would probably be rapidly doubled. Everything connected with this country is strange and anomalous. When Britain was a dreary waste, occupied only by rude savages, China had a peculiar civilization of her own, and had made discoveries in science and art which for centuries were unknown to the Western world. But what China was 2000 years ago, that she is now. She has remained isolated and stationary. The Chinese, confident in their superiority to the rest of mankind, thought that their country would be contaminated, if foreigners were permitted to enter its sacred precincts. But these barriers could not withstand the active commercial enterprise of our country; having once obtained a footing there, we quickly forced our way by fire and by sword, and we have by successive treaties extorted from this inferior race, the right to trade and travel unmolested. But the opening of China may be accompanied with consequences which were probably never anticipated by our statesmen or our merchants. As soon as we forced our way into China, the Chinese seemed ready to meet us with reprisals; they acted as if they wished to say,

You were determined to come to enjoy the advantages which our country could offer to you, and now we will go forth and see, if there are not some benefits which we might obtain in distant lands.

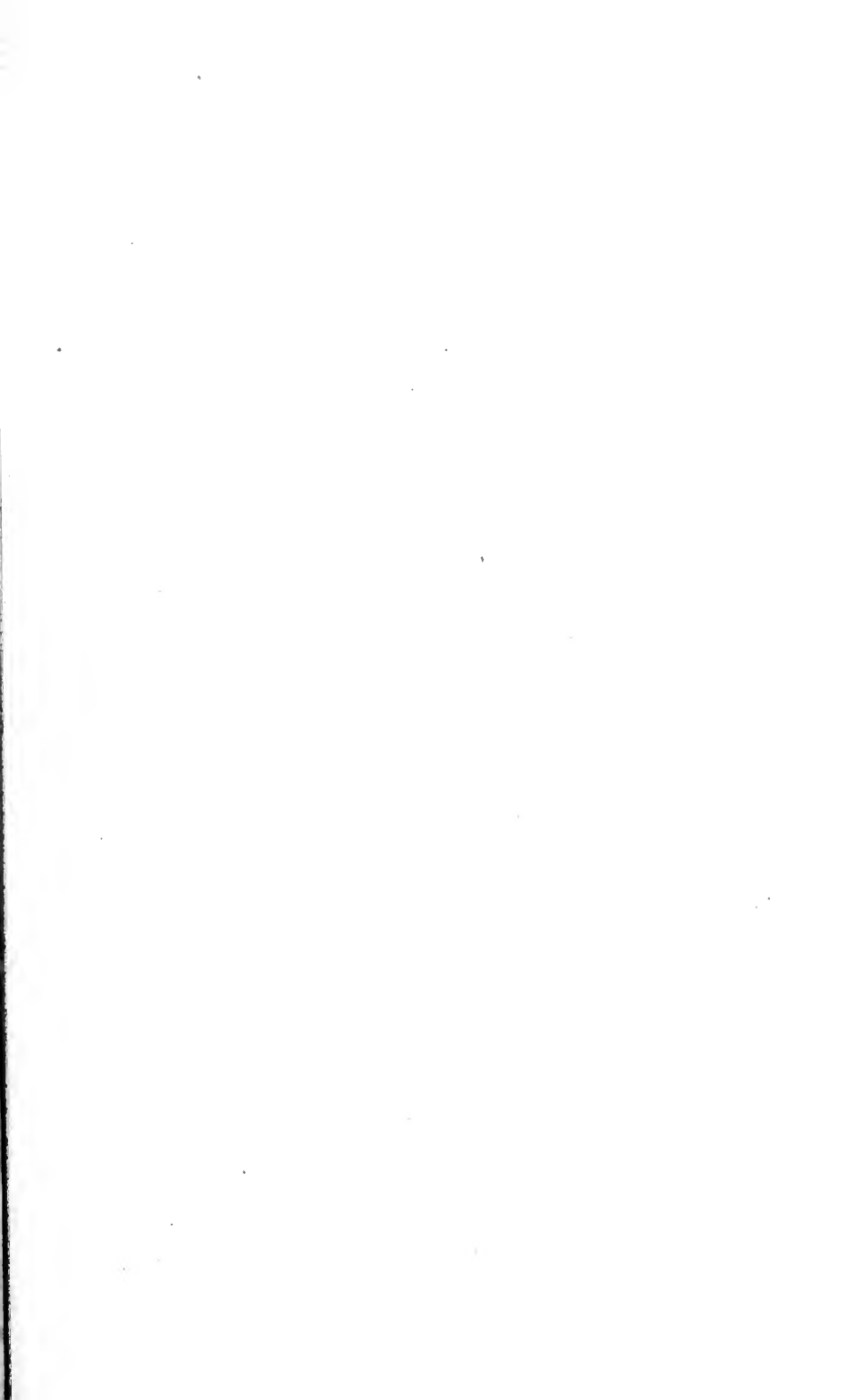
People who are comparatively uncivilized have always shown that there is no wealth which they value so much as the precious metals, and the same feeling which caused such a rush of European and American emigrants to Australia and California, induced vast numbers of Chinese to seek wealth in these newly discovered gold fields. The inhabitants of Australia and California became greatly alarmed. They said, we shall soon be overrun with these yellow-skinned emigrants; all other races will be outnumbered, and our country will be converted into a vast Chinese settlement. Californian politicians were not restrained by checks from a home government; they therefore at once adopted energetic measures, and immediately passed a law which absolutely forbade the Chinese entering the country. The Australian legislatures did not resort to so extreme a remedy. Moreover in these Colonies; there was a great and influential party, whose self-interests prompted them to favour this Chinese immigration. Australia had always wanted labour;

and this want was pressing with peculiar intensity, because the gold-fields offered an attraction, which the working classes could not resist. Consequently the advent of these Chinese immigrants solved the difficulty with which the Australian employers had to contend; for it was soon found that the Chinese were cheap and excellent labourers; they were industrious and ingenious, and they proved themselves to be excellent shepherds and gardeners. Hence this Chinese immigration soon became a great question between capital and labour, and the dispute was keenly contested in the Australian Parliaments, and on every hustings. On the one hand the employers urged, that the industry of the country would be paralysed, if labour could not be obtained; and on the other hand, it was vehemently argued that the vices of the Chinese, who were accompanied by no women, would demoralise the community: it was also no doubt perceived, although not so prominently stated, that the remuneration of the wage-receiving class would be seriously diminished, if some check was not imposed upon this inexhaustible supply of labour. The dispute was ultimately settled by a compromise, and a poll-tax of £10 was imposed on all the Chinese who landed on the Australian shores.

This policy must suggest many curious reflections, when we remember how long, how severe, and how costly has been our struggle to break down the barriers, which so completely isolated China from the rest of the world. Moreover we should ask ourselves, What will England do, and what would be the effect on our country, if the Chinese at some future day should show the same anxiety to come to us, as they have shown to settle in Australia and California? The contingency may be thought too improbable and too remote to be worthy of consideration, yet such speculations may possess interest and importance, if we desire to reflect upon the aspect which progressive civilization may in future ages assume. Probably, in every community, there must be always "hewers of wood and drawers of water;" and if a whole nation like our own should advance as greatly in wealth, intelligence, and happiness, as we could desire, an inferior race may perhaps come amongst us, to perform the comparatively menial duties which industry requires. Increasing enlightenment and humanity would prevent such a race being treated with injustice, indignity or cruelty; liberty and all the rights of property would be secured to them, and thus the lot of the whole human race might be improved, if inferior races were

gradually enlightened and elevated, by bringing them into contact with the ideas and institutions of a high civilization.

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